

CENTRAL STATISTICAL OFFICE

CSO

Monthly Digest of Statistics

SUPPLEMENT

DEFINITIONS AND
EXPLANATORY
NOTES

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**DEFINITIONS AND
EXPLANATORY
NOTES**

Editor: A S BUCHANAN

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INTRODUCTION

This *Supplement* gives definitions of items and units employed in the *Monthly Digest of Statistics* in more detail than is possible in the headings and footnotes of the tables in the publication itself.

This issue replaces that published with the January 1979 edition of the *Monthly Digest of Statistics*.

The definitions relate to the tables as they appear in issue No. 409 of the *Monthly Digest* for January 1980. If further new series are added or changes are made in the content before the next issue of this *Supplement*, additional definitions will be given where necessary in the footnotes to the tables in the *Digest*.

The definitions in the *Supplement* also apply to corresponding items in the *Annual Abstract of Statistics* and *Regional Statistics* prepared by the Central Statistical Office and published by HM Stationery Office.

When annual figures such as appear in the *Monthly Digest* are given in greater detail in the *Annual Abstract*, the additional explanatory notes are shown in the *Annual Abstract*.

Weekly averages are used in the *Digest* where the basic figures are collected on a weekly basis, and also in a few cases, indicated by footnotes, where the basic figures are for calendar months. Where weekly averages are given for months they represent the totals of four-week or five-week periods divided by four or five respectively. The average of a five-week period is indicated by an asterisk throughout the *Digest*.

*Central Statistical Office,
Great George Street,
London, SW1P 3AQ.
January 1980*

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I. NATIONAL INCOME AND EXPENDITURE

The tables in this section are designed to bring up to date the estimates for calendar years given in *National Income and Expenditure* 1979 edition (HMSO 1979) and the quarterly estimates given in *Economic Trends*, October 1979. A detailed description of the sources, methods and definitions used in making the regular estimates is given in *National Accounts Statistics: Sources and Methods* (HMSO 1968) and is brought up to date in the notes to *National Income and Expenditure* 1979 edition.

It is not always possible to record all the various items of expenditure in the tables on precisely the same basis or at the same point in time. For example, consumers' expenditure on alcoholic drink is estimated in practice from the quantities cleared from bond and not from the quantities sold; expenditure on goods and services by public authorities and capital expenditure by businesses during a given period may not coincide with the recorded output of the goods purchased, or with the incomes generated by this expenditure, during the same period. These inconsistencies, of course, affect the estimates for complete years; but they are likely to affect the estimates for shorter periods to a much greater extent. Hence only guarded conclusions should be drawn about changes in the pattern of expenditure, and in the relations between expenditure, income and output, from one quarter to another.

Each table has a section giving seasonally adjusted estimates which are designed to assist in the interpretation of the original unadjusted estimates.

Gross domestic product

The gross domestic product is a measure of the value of the goods and services produced by United Kingdom residents before providing for depreciation (or capital consumption). The estimates of the gross domestic product are built up from largely independent data on incomes and final expenditure. But as it is not always possible to record all the various forms of expenditure and income on precisely the same basis or at the same point in time, there is a difference between the two sets of estimates. This difference appears as the residual error and is presented as though it were an item of income. The movements in the residual error reflect inconsistencies between the various data on income and expenditure; these inconsistencies are bound to be relatively larger for periods of less than one year than for complete years. The gross national product is equal to the gross domestic product plus net receipts from interest, profits and dividends earned abroad.

Index numbers of output at constant factor cost
The output-based estimate of gross domestic product is calculated by combining indices of the output of individual industries and services valued at the prices of a base year, with weights proportional to the contribution of each industry to gross domestic product in the base year. The estimates of gross domestic product in total and those for services are published only on a quarterly, seasonally adjusted basis; the index of industrial production is published monthly and quarterly, both unadjusted and seasonally adjusted.

Detailed methodology is described in terms of the 1970 based index, in *Studies in Official Statistics No. 25: The measurement of changes in production* (HMSO 1976), updated to the basis 1975=100 by articles in *Economic*

Trends, May 1979. Lists of the series and weights used to compile the current estimates are included in a series of Occasional Papers available on request from the Central Statistical Office.

The published index numbers of gross domestic product, total industrial production and manufacturing, include an adjustment based on estimates of stock movements, to allow for the use of indicators which measure deliveries rather than production in certain series within manufacturing industry. A detailed analysis of industrial production is given in Table 7.1 but that table does not include this adjustment, as it is not available monthly or for individual industries.

Personal income, expenditure and saving

The personal sector includes unincorporated enterprises and non-profit-making bodies. Separate annual estimates for the last category are shown in *National Income and Expenditure* 1979 edition (HMSO 1979). Income is shown before tax and before providing for depreciation and stock appreciation. The item Personal saving before providing for depreciation, stock appreciation and additions to tax reserves, is obtained as a residual and is subject to a wide margin of error.

Consumers' expenditure

Consumers' expenditure covers all expenditure by the personal sector, including private non-profit-making bodies serving persons, on goods and services for current use; but it excludes business expenditure on cars, meals, etc. which is allowed as a business expense in computing income for tax purposes of both employed and self-employed persons.

It includes expenditure on durable goods, for instance motor cars, which from the point of view of the individual might more appropriately be treated as capital expenditure. The only exception is the purchase of land and dwellings and costs incurred in connection with the transfer of their ownership, which are treated as personal capital expenditure.

The estimates of consumers' expenditure include purchases of second-hand as well as of new goods, less the proceeds of sales of used goods.

Detailed definitions of the items of consumers' expenditure identified in *National Income and Expenditure* 1979 edition are given in Chapter VI of *National Accounts Statistics: Sources and Methods*. In the table in the *Monthly Digest of Statistics* some of these items are grouped together under the headings Other goods and Other services.

Other goods include household textiles, soft furnishings and hardware; matches, soap and other cleaning materials, etc.; books, newspapers and magazines; chemists' goods; miscellaneous recreational goods; other miscellaneous goods; running costs of motor vehicles; and income in kind not included elsewhere.

Other services include travel; communication services; entertainment and recreational services; domestic service; catering (meals and accommodation); wages, salaries, etc. paid by private non-profit-making bodies; capital consumption of assets owned by private non-profit-making bodies; insurance; other services (laundries, hairdressing, betting, etc.); and consumers' expenditure abroad less expenditure by foreign tourists, etc., in the United Kingdom.

Value of physical increase in stocks and work in progress

The quarterly estimates for manufacturing, wholesaling and retailing are based on information about the book value or standard cost valuation of stocks supplied by a sample of companies to the Department of Industry. The figures for manufacturing are based on returns from a panel of companies covering about two-thirds of total manufacturers' stocks and including most of the larger companies, but those for wholesaling and retailing have a narrower coverage. The figures for the latest complete year and succeeding quarters are based at first on the quarterly inquiry but are revised in the light of the results of the censuses of production and the annual inquiries into the distributive and service industries when these become available.

The volume figures (expressed at constant 1975 prices) are derived from the basic book value figures at a detailed industry level by use of a wide range of price index numbers and other information, but where information about stocks valued at standard costs is supplied the reported changes are considered to represent the value of physical changes. Seasonal adjustment is carried out at the level of broad industry groups.

The figures are described in detail in Chapter XIII of *National Accounts Statistics: Sources and Methods*.

Gross domestic fixed capital formation

This comprises expenditure on fixed assets, either for replacement or the addition to existing fixed assets; expenditure on maintenance and repairs is excluded. Fixed assets include dwellings, other new buildings and works, vehicles, plant, machinery and other equipment, and the analysis by industry group covers these categories of asset. Land and existing buildings are a further category of fixed asset, the transactions in which, except for actual costs of transfer, must net out when aggregated for the country as a whole. Net transactions in land and existing buildings, although excluded from the analysis by industry, are however, in-

cluded in the analysis of gross domestic fixed capital formation by sector.

The transport and communication series in Table 1.7 includes imported ships at the time of delivery instead of when the expenditure takes place. The reason for this is to match with the recording of imports and so lead to a consistent expenditure-based estimate of gross domestic product.

Annual figures of investment by asset are published at current prices for each industry in the *National Income and Expenditure* 1979 edition. Detailed figures are published for the various manufacturing industries; agriculture, forestry, fishing; construction; and a number of other industries.

The figures are described in detail in Chapter XII of *National Accounts Statistics: Sources and Methods*.

Fixed capital expenditure in the manufacturing, distributive and service industries

The quarterly estimates are based on information supplied to the Department of Industry by panels of companies which account for about two-thirds of the capital expenditure of the manufacturing industries, but less than this in the case of the distributive and service industries. The figures for the latest complete year and succeeding quarters are based at first on the quarterly inquiry but are revised in the light of the censuses of production in the case of manufacturing industry, and the annual inquiries for the distributive and service industries when these become available.

Annual figures (by asset) at current prices are available from *National Income and Expenditure* 1979 edition at a more detailed level for manufacturing industries and also for construction; road passenger transport; road haulage and storage; and insurance, banking, finance and business services.

The figures supplied at current values are revalued at constant 1975 prices and are then seasonally adjusted. The figures for plant and machinery and for vehicles are net of receipts from sales of such assets.

II. POPULATION AND VITAL STATISTICS

Population of the United Kingdom

Mid-year estimates

Mid-year estimates are constructed from the latest full Census, with allowance for births, deaths, migration into and out of the country and variation in the location of the armed forces since the Census was taken. No adjustment is made, however, for the purely temporary seasonal net increase in visitors to this country in the summer months. Figures for 1972 to 1977 for England and Wales and the United Kingdom are from the re-calculated new series population estimates and will, therefore, differ from the estimates for these years shown in issues of the *Digest* prior to December 1977. Figures are given on two bases, Home population and Total population.

Home population: Persons usually resident in an area.

Total population: This is the Home population plus the estimated numbers of HM Forces ordinarily resident in the area who are serving overseas or in another part of the United Kingdom (but excluding both Commonwealth and foreign armed forces, and HM Forces present but not ordinarily resident in the area).

Projected Total population

Projections of the Total population of the United Kingdom last appeared as a Supplementary Table in the August 1979 issue of the *Digest*. Notes on the assumptions used in preparing these projections were also included. An account of the methods and results for the mid-1977 based projections appears in *Population Projections* PP 2 No. 9 1977-2017 (HMSO 1979).

Births, marriages and deaths

Births for England and Wales relate to occurrences in a period, while those for Scotland and Northern Ireland relate to births registered in a period. Marriages and deaths are those registered in the country during the periods shown.

The number of births registered in a period differs somewhat from the number which occur in that period because of the varying time-lag between a birth and its registration.

Deaths include those of members of the armed forces in the United Kingdom but exclude any which occur abroad.

Stillbirths are excluded throughout.

III. LABOUR

Employment statistics based on counts of national insurance cards were available until mid-1971. In 1971 an annual census of employment was introduced. The new system relies on returns from employers. In order to provide a link between the old system and the new system, both a card count and a census were taken in 1971.

The count of national insurance cards included many employees who work for part of the year only and who would not have been in employment in the particular week in June when the census was taken. Mainly for this reason the census figure for June 1971 is considerably lower than the card count. Another difference is that a person who had two regular jobs with different employers in the week of the census was counted twice in the census but only once in the card count, so that the census figures are higher than the card count in some industries and services where secondary employment is common.

Estimates of employees in employment on a continuous basis, which removed the discontinuities in the previously published figures, have been prepared by the Department of Employment and published in the *Department of Employment Gazette* - see the March 1975 issue for Great Britain figures, the October 1975 issue for United Kingdom figures and the August 1976 issue for the standard regions. These estimates have now been incorporated into the *Annual Abstract of Statistics* and *Monthly Digest of Statistics*: they are on a census of employment basis with the industrial classification pertaining to the 1968 Standard Industrial Classification.

Distribution of working population

The figures, which relate to mid-month, are estimates of the total numbers gainfully employed, of all ages and occupations; the estimates include persons temporarily laid off and part-time workers as full units. The working population comprises the following four components:

- (i) employees in employment (excluding private domestic servants) and civil servants temporarily stationed outside the United Kingdom;
- (ii) self-employed persons (with or without employees);
- (iii) HM Forces; and
- (iv) the registered unemployed.

Employees in employment

Manufacturing industries

June figures are obtained as described above. For Great Britain, figures for other months are obtained by application of the percentage changes in the numbers employed, derived from the returns rendered by a sample of employers under the Statistics of Trade Act, 1947. For Northern Ireland, figures are only available quarterly, and for each month the last known quarterly figure is used.

Non-manufacturing industries

June figures are obtained as described above. Estimates for each quarter/month are obtained from an enquiry based partly on a sample of employers and partly on composite returns rendered by central government, local authorities, nationalised industries, public corporations and organisations in the private sector.

Staff employed in the Civil Service

The table sets out the numbers of UK-based staff of government departments whose pay is voted wholly and directly by Parliament. The following categories are excluded from the figures in the table: holders of judicial and political office; the staff of grant-aided bodies (e.g. the Forestry Commission); the staff of the Office of the Parliamentary Commissioner for Administration and the Exchequer and Audit Department; and certain staff who are deemed to be civil servants for superannuation purposes. Staff locally engaged overseas are not included, but staff engaged in the United Kingdom and serving abroad (e.g. in the Diplomatic Service and in the Ministry of Defence) are included.

The figures for the civil service table do not agree with those given in the table showing the distribution of the working population in Great Britain under National government service, since the latter term is a residual sub-heading of the Standard Industrial Classification covering all civil servants who are not in industrial units specifically covered elsewhere in the Classification, e.g. dockyard and ordnance factory workers, museum staff, etc.

Numbers employed in agriculture

The table shows the number of British and foreign workers (excluding the occupier and his wife, domestic servants and children still at school) employed on the day of the census on agricultural holdings of more than 0.4 hectare (one acre) in Great Britain up to June 1969, and of 0.4 hectare (one acre) or more in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on 0.4 hectare (one acre) of agricultural land or less. The census was also extended in the same terms in Northern Ireland with effect from June 1973.

Regular workers absent through sickness or holidays and working partners of the occupier are included.

Seasonal and casual workers and persons temporarily employed in agriculture, although ordinarily employed in other industries, are included in the figures for All workers. Seasonal, casual or temporary labour is defined as including contract work, that is, labour supplied by contractors or gang-masters for farm work by the piece, the job, the hour or the week. In Northern Ireland, prior to 1975, seasonal or casual workers were included with regular part-time workers.

Local authority manpower

In March 1975, a new quarterly employment series was launched jointly by central government and the associations which represent local authorities of England and Wales for the purposes of the Joint Manpower Watch. The figures for this new series are compiled by the Local Authorities Conditions of Service Advisory Board (LACSAB). Quarterly figures for England and Wales were published for the first time in the November 1976 *Monthly Digest of Statistics* and these were joined by figures for Scotland starting with the August 1977 issue. Figures for England and Wales, and for Scotland now appear in each issue of the Digest and these are up-dated at quarterly intervals.

The series covers total employment in all the services for which local authorities are responsible. For the purpose

of converting part-time staff numbers to 'full-time equivalents' the following factors have been used: teachers and lecturers in further education 0.11, teachers in primary and secondary education and all other non-manual employees 0.53, manual employees 0.41. These factors derive mainly from an analysis of hours worked by local authority employees as reported for the New Earnings Survey 1974. Further analyses of the quarterly series for all Joint Manpower Watch categories also appeared for the first time in the *Department of Employment Gazette* for November 1976 and these are also up-dated at quarterly intervals. Figures for Wales alone appeared in *Welsh Local Government Financial Statistics No. 1*, a new Welsh Office publication which appeared in September 1977. Another presentation appears in *Local Government Financial Statistics, England and Wales 1976/77*, published annually.

Constructional work: number of operatives employed by contractors

The employment figures show the total number of operatives on firms' payrolls on a pay day in the first half of each month.

Overtime and short-time in manufacturing industries

Statistics on overtime and short-time relate to operatives employed in manufacturing industries. They do not include administrative, technical and clerical workers. Returns are rendered monthly by employers under the Statistics of Trade Act. From June 1974, when a new sampling system was introduced, the figures relate to operatives in all manufacturing industries and overtime worked by maintenance workers is included.

Unemployment

The current figures include all unemployed persons registered for employment at local employment offices or careers offices in Great Britain, with the exception of registered severely disabled persons who are unlikely to obtain work other than under special conditions, adult students registered for vacation employment and temporarily stopped workers. They represent the numbers on the registers who were actually unemployed on the day of the count and were capable of and available for work.

The unemployed are sub-divided to show those who had, at the date to which the figures relate, been unemployed continuously for two weeks or less, for more than two weeks but not more than eight weeks, and for more than eight weeks; from July 1978 this became a quarterly analysis. Separate figures are also given for broad industry groups, for each region, and for the numbers receiving unemployment benefit and supplementary allowance.

The number of persons registered as unemployed in Northern Ireland is shown in the general and regional tables.

Seasonally adjusted unemployment statistics

The seasonally adjusted unemployment figures relate to registered unemployed persons, excluding those under 18

who have not entered employment since terminating full-time education (described as school-leavers). The method of seasonal adjustment used, is described briefly in the May 1979 issue of the *Department of Employment Gazette* (page 479) and in more detail in the September 1979 issue. Figures are given for the United Kingdom and also for certain industry groups.

Temporarily stopped

Temporarily stopped workers are those registered at the date of the count who are suspended by their employers on the understanding that they will shortly resume work, and who register to claim benefit. They are not included in the numbers unemployed but figures for each region are shown in a separate table.

Notified vacancies remaining unfilled

The table shows for each month the numbers of notified vacancies remaining unfilled on the day of the count. Consequently, the figures are not a measure of total vacancies in the economy. Vacancies notified to Employment Offices are mainly for adults but include some that are suitable for young persons, and vacancies notified to Careers Offices are suitable for young persons but include some that are suitable for adults. Because of possible duplication the two series should not be added.

During 1977 the Manpower Services Commission carried out a special National Survey of Engagements and Vacancies. This suggested that in the period 7 April-8 July 1977 just over a third of all vacancies were notified to Employment Offices.

For Northern Ireland the table shows unfilled vacancies notified to the local offices of the Northern Ireland Department of Manpower Services.

Industrial stoppages

This table shows the number of workers involved and the total number of working days lost in stoppages of work arising from industrial disputes in the United Kingdom connected with terms and conditions of employment. Stoppages involving fewer than 10 workers or lasting less than one day are excluded from the statistics, except where the aggregate of working days lost exceeds 100.

The figures include workers directly involved and those indirectly involved (i.e. thrown out of work but not themselves parties to the disputes), at establishments where the disputes occurred. Workers involved in stoppages beginning in one month and continuing into later months are counted in the month in which they first participated. Workers involved in more than one stoppage in the month have been counted in the total on each occasion.

The aggregate number of working days lost in any period is the number lost in that period through all stoppages in progress, irrespective of when the stoppages began. The figures exclude any loss of time, for example through shortages of material, which may be caused at other establishments by the stoppages which are included in the statistics.

There are difficulties in ensuring complete recording of stoppages, in particular those near the margins of the definitions, for example short disputes lasting only a day or so. Any under-recording would of course particularly

bear on those industries most affected by this type of stoppage; and would have much more effect on the total of stoppages than of working days lost.

Students in maintained, assisted, and grant-aided establishments of further education

The definitions which follow apply to the series shown in the *Annual Abstract of Statistics* and *Regional Statistics*.

Sandwich courses

These differ from full-time courses in that the period of study in college is broken by a period (or periods) of industrial training forming an integral part of the course. Courses in which the period spent in college, taken over the whole course (in college and industry), averages eighteen weeks or less a year are excluded and are treated as release courses and included in the figures for part-time day courses.

Part-time day courses

Most of the students taking part-time day courses are employed by firms who release them for one or two days a week. Some part-time day courses also include periods of evening instruction in addition: students on these courses are included only in the figures for part-time day courses.

Block release courses

As an alternative to the basic pattern of part-time day courses which requires attendance in college on one to two days a week, some courses are organised on different patterns, described as 'block release'. Such courses involve attendance at college for periods averaging 18 weeks or less in a year and are of the following types:

- (i) two or more short periods of full-time study (e.g. in successive sessions), in the interval between which students resume employment;
- (ii) one or more short periods of full-time study supplemented by study on one or two days a week during another part of the session.

IV. SOCIAL SERVICES

National insurance and child benefit

Sickness, Invalidity and Injury benefits

Under the Social Security Acts, the whole of the civilian working population over school-leaving age but not yet retired can qualify for sickness and contributory invalidity benefit, including not only employed earners but also the self-employed, apart from all men over age 70 and all women over age 65, members of the Armed Forces, mariners while at sea, most non-industrial civil servants and Post Office employees (who do not normally claim sickness benefit until illness has lasted 6 months) and married women and certain widows who have chosen not to be insured in their own right.

In general, contributory invalidity benefit replaces sickness benefit after this has been payable for over 6 months. Non-contributory invalidity pension became payable from 20 November 1975 and is primarily for persons of working age who have been unable to work for some time but do not qualify for sickness or invalidity benefit due to insufficient contributions.

From 17 November 1977 the provisions were extended to include married women.

The numbers of new claims for sickness and invalidity benefits including non-contributory invalidity pension are derived from the number of first medical certificates received by the Department of Health and Social Security. The numbers of insured persons absent from work on account of sickness or invalidity are based on a standing sample of claimants.

The industrial injury provisions of the Social Security Acts under which claims to injury benefit are made, apply to almost all civilians working as employed earners. The number of new claims for injury benefit and the estimated number of persons absent from work because of industrial accident or occupational disease (that is, a disease prescribed for the purpose of the Act, such as lead poisoning) are obtained in the same ways as those for sickness benefit.

A small number of claims do not result in payment of

benefit but, because they indicate certified incapacity for work, they are included in the figures.

Unemployment benefit

Most unemployed persons who normally work for an employer can qualify for unemployment benefit. The main exceptions are those married women who pay basic contributions at the reduced rate. Self-employed persons and non-employed persons are not eligible for unemployment benefit.

Retirement pensions

Retirement pensions, as the name implies, are payable on retirement from regular work provided the minimum age (65 for men, 60 for women) has been reached and the necessary contribution conditions are satisfied. From age 70 (65 for women) the retirement condition no longer applies.

A married woman can receive a pension through her husband's insurance provided that the retirement and age conditions are satisfied by both.

Widows' pensions and widowed mothers' allowances

These are payable, subject to certain conditions, from the end of the initial period of six months from the date of widowhood, during which widows' allowances are paid at a higher rate. A widow's pension continues, unless the widow remarries, until she reaches the age of 65 or, after the age of 60, notifies retirement from work, when it is replaced by a retirement pension. A widowed mother's allowance continues generally speaking so long as a widow has at least one child of school age or, if living at home under age 19.

Child benefit

From 5 April 1977, child benefit replaced family allowance. This benefit is paid for each child in the family below the age limit. This is, in general the normal school leaving age (16) but if the child is still at school or college,

or is an apprentice with low earnings, the benefit is paid until the 19th birthday.

Family income supplement

Family income supplement is payable to families with one or more children where the man is normally in full-time work (30 hours a week minimum) but the income of the family is low.

For single parent families headed by a female the minimum hours a week are 24.

Attendance allowance

Attendance allowance is payable to persons who are so severely disabled, physically or mentally, that they require frequent attention or continual supervision.

Supplementary benefits: pensions and allowances

Benefits under the Supplementary Benefits Act

Any person in Great Britain over the age of sixteen who has left school but is not in full time work and whose resources are insufficient to meet their requirements as defined under the Act may be entitled to supplementary benefit. A person over pensionable age is entitled to a supplementary pension and under pensionable age to a supplementary allowance.

The Supplementary Benefits Commission who administer the scheme have power in exceptional circumstances to adjust the rate of benefit computed and to award lump sum payments to meet exceptional need.

National Health: hospital services

The figures are taken from returns made half-yearly by Authorities responsible for hospitals to the Department of Health and Social Security, the Welsh Office and the Information Services Division of the Common Services Agency, Scottish Health Service.

Staffed beds

The numbers of staffed beds allocated are taken from a census of all staffed beds, including beds temporarily unavailable, at 30 June and 31 December. In Scotland, the figures shown represent the average staffed beds over the period.

Occupation of beds

The figures are obtained by taking the total of the daily numbers of in-patients for the year (at the night count) and dividing by the number of days in the year. In-patients, for this purpose, are persons (other than day-cases) who have gone through the full admission procedure of the hospital and occupy a bed in the in-patient department.

Discharges and deaths

The figures shown include all patients who have gone through the full in-patient procedure and who have subsequently been discharged or have died.

Waiting list

All patients listed as awaiting admission to hospital for in-patient treatment are included under this heading with the following exceptions:

- (a) expectant mothers booked for confinement;
- (b) deferred admission cases;
- (c) transfer cases, i.e. patients already occupying beds in hospital and awaiting transfer to another department or hospital.
- (d) day cases.

Out-patient attendances

Each attendance of a course or series is included in the year in which the attendance occurred. Persons attending more than one department are counted in each department.

National Health: family practitioners' services

Under the National Health Service Act, 1946, 119 Executive Councils in England and 15 in Wales and, under the National Health Service (Scotland) Act, 1947, 25 in Scotland, administered the local medical, dental, pharmaceutical and general ophthalmic services until 31 March 1974. Under the National Health Service Reorganisation Act, 1973, these services have been administered in England and Wales since 1 April 1974 by Area Health Authorities through Family Practitioner Committees; under the National Health Service (Scotland) Act, 1972, 15 Health Boards have administered these services since 1 April 1974.

Pharmaceutical services

These figures represent the number of national health service prescriptions of drugs, medicines and specified appliances dispensed by retail pharmacies, drug stores and suppliers of surgical appliances in contract with the Committee (England and Wales) or Health Board (Scotland). Most of the items are supplied on national health service prescriptions given by the family doctors, but a small number are given by dentists, at national health service hospitals and clinics, and at such stations of Service departments as have no dispensing facilities. Prescriptions which doctors themselves dispense for their patients are excluded.

Dental services

A dentist in accepting a patient undertakes to provide the treatment needed to achieve dental fitness, except for occasional treatment where the treatment is limited to certain items (e.g. the extraction of one or two teeth or a denture repair). The course is complete when this treatment—or such of it as the patient is willing to undergo—has been carried out.

The figures include full courses and of occasional treatment cases which were scheduled for payment during the period.

General ophthalmic services

These services provide for the testing of sight and, if necessary, the supply of glasses. They operate in conjunction with the Hospital Eye Service which provides for the

diagnosis and treatment of diseases or defects of the eyes and for the supply of optical appliances.

Persons may have their sight tested by any ophthalmic medical practitioner or ophthalmic optician on the ophthalmic list of a Family Practitioner Committee (England and Wales) or Health Board (Scotland).

A prescription for glasses may be dispensed by any ophthalmic or dispensing optician on an ophthalmic list.

A range of frames is available under the National Health Service but patients are required to pay the current specified cost of the frames selected. Patients also pay for lenses provided under the service. Subject to certain conditions, lenses supplied under the general ophthalmic services

may be fitted to privately supplied frames at the applicant's specific request. Glasses for children under 16, or older if still attending full-time at school, are supplied to the patient free of charge provided that the frames are chosen from a special limited range of children's frames. Children over 10 may also receive free lenses if they choose a frame from the adult range, but in this case the frame must be paid for. The figures of glasses paid for include all the cases described above.

A number of prescriptions following sight tests result in glasses being supplied privately. These are not included in the figures of glasses paid for.

V. JUSTICE AND CRIME

Serious offences recorded by the police

Serious offences recorded by the police cover those offences for which, until the introduction of the Criminal Law Act 1977 on 17.7.78, any suspect apprehended, proceeded against at court and found to have a case to answer,

VI. AGRICULTURE AND FOOD

Agricultural land

Area

Up to June 1969 the agricultural census related to agricultural holdings of more than 0·4 hectare (one acre) in extent in Great Britain and of 0·4 hectare (one acre) or more in Northern Ireland. The areas exclude woodlands, buildings, roads, yards and ponds, etc. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including some 2,300 holdings on 0·4 hectare (one acre) of agricultural land or less. The census was also extended in the same terms in Northern Ireland with effect from June 1973. Total area of woodlands, together with all land taken up by roads, buildings, ponds, etc., on agricultural holdings is now included in figures of agricultural area.

The figures for specific crops relate to those which are actually in the ground on the date of the June census or for which the land is being prepared at that date. Any catch crops grown for livestock feed or for ploughing-in in the period between the harvest and the sowing of the next season's main crop will not be shown in the returns of agricultural area. The case is similar for horticultural crops.

Individual crop areas are returned to the nearest 0·1 hectare and include headlands, ditches and hedges attributable to the particular crop. Any crops not specified in the return or grown in patches of less than 0·1 hectare are shown under the heading Other crops.

Prior to 1975 in Scotland the permanent grass area relates to grass 7 years old or over and in Northern Ireland permanent grassland for mowing refers to grass more than 3 years old.

Harvest

Except for sugar beet and hops, the estimates of the quantity harvested of agricultural crops are obtained by combining the production areas with estimates of yield per hectare, made by technical officers employed by the Ministry of Agriculture in England and Wales and the Department of Agriculture for Northern Ireland and up to 1964

by crop reporters in Scotland. From 1965 the Scottish yield estimates for wheat, barley and oats are based on sample surveys of farms and this method of estimating yields was extended to the potato crop from 1966. In England and Wales the production area of cereals and fodder crops is the area returned at June less the estimated areas on which the produce failed in the early stages, was ploughed in or, in the case of cereals only, cut green for fodder, after the June census date. The production area of hay is the area of temporary and permanent grass actually cut and harvested for hay; while that of early potatoes is the area estimated to have been harvested by 31 July (as opposed to the area returned in June as intended for harvesting by 31 July) and that of maincrop potatoes the area estimated to have been harvested after 31 July. The published estimates are prepared for all countries in November and are made on a parish basis in England and Wales, by region for Scotland and on a rural district basis in Northern Ireland. The production area of sugar beet is the area returned at June less that grown for seed; production figures are supplied by the British Sugar Corporation and the yield per hectare is obtained by dividing the production figure by the production area. Production figures of hops are supplied by the Hops Marketing Board and the area returned at June is used to obtain a yield per hectare.

In the case of horticultural crops the quantity harvested in England and Wales is calculated by multiplying yield estimates supplied by Horticultural Crop Intelligence Committees and technical officers of the Ministry by the appropriate cropped areas. For vegetables and small fruit, the cropped areas are based on either one or more of the regular censuses covering horticultural crops, or, for certain crops, on estimates made by the Ministry. For top fruit, the area is based on the Orchard Fruit Censuses held every four years or so with estimates for the intervening years.

In Scotland the quantity harvested is calculated for ten crops (raspberries, strawberries, tomatoes, peas for canning, carrots, lettuce, cauliflower, brussels sprouts, cabbage and leeks) by multiplying yield estimates based on the

results of a sample survey with areas returned at one of the two agricultural censuses, adjusted where necessary for double cropping. For other vegetables and fruit, yield estimates are supplied by technical officers of the Department.

In Northern Ireland the quantity harvested of all fruit and vegetables is calculated by multiplying yield estimates supplied by technical officers of the Department of Agriculture by the total crop area obtained from the June and December censuses. The working is on a rural district basis.

Livestock

Up to June 1969 the tables show the number of cattle, sheep, pigs and poultry as returned by occupiers of agricultural holdings on more than 0.4 hectare (one acre) in Great Britain and by all owners of livestock in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on 0.4 hectare (one acre) of agricultural land or less, as previously mentioned.

For England and Wales the June figures are the results of a full census; at December, returns are collected from a sample only. In Scotland and Northern Ireland both the June and December figures are the results of full censuses.

Disposals of food and animal feedingstuffs

Disposals are estimated from home production and imports, adjusted for changes in the known stocks held in warehouses, cold stores, etc., by wholesalers, importers, manufacturers and the government; they include deliveries to manufacturers of non-food products, and to exporters except where otherwise defined. As these deliveries are quantitatively important for potatoes, sugar and fish, separate figures of disposals for food in the United Kingdom are also given for these commodities. Disposals for food in the United Kingdom include use in the manufacture of other foods (e.g. sugar in jam, biscuits and sweets), certain disposals to HM Forces, and ingredients used in manufactured products which are exported. Disposals are, therefore, not the same as retail purchases.

Cereals and cereal products

Sales of home grown grains for food

For wheat the receipts of home grown supplies by flour millers are shown and small quantities subsequently sold again for animal feed are therefore included. For barley the receipts of home grown supplies by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers are shown and exported supplies are included. For oats the receipts by oatmeal millers of home grown supplies for processing into human food are shown.

Wheat and oat milling

The tables show the quantities of home produced and imported wheat milled and the amount of flour produced; the resulting production of wheat offals appears in the table of animal feedingstuffs. Stocks of wheat and flour include wheat and flour expressed in terms of wheat held by flour millers, cereal breakfast foods manufacturers, and importers and dealers. Flour disposals include exports.

Only the quantities of oats used in establishments milling

primarily for human food are included in the series described as oats milled. The products of oat-milling are similarly restricted to all cuts of oatmeal, flakes, rolled oats, oat flour, groats and any other product produced for human food. Stocks of oats are those held by main processors, including oatmeal millers, provender millers and compound feedingstuffs manufacturers. The provender millers' figures relate to Great Britain only. Stocks held by importers and dealers are also included.

Barley

Disposals for food and brewing refer to the quantities of home grown and imported grain used by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers. Exports are included. Stocks are those held by main processors, including brewers, maltsters, distillers, provender millers and compound feedingstuffs manufacturers. The provender millers' and compounders' figures are in respect of Great Britain only. Stocks held by importers and dealers are also included.

Biscuits

The following types are included: chocolate biscuits, fully and partially coated; sweet and semi-sweet biscuits; plain and savoury biscuits; rusks, crispbread, matzos and oatcakes; wafers and cones.

Animal feedingstuffs

Maize

Not only maize and maize meal used as animal feed but supplies of maize used by manufacturers for the production of starch, glucose, cereal breakfast foods and for distilling are included. Stocks are those held by main processors, including cereal breakfast food manufacturers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included. They include not only whole grain but some processed grain held by provender millers and compound feedingstuffs manufacturers.

Oilcake and meal

Production is a residual from the crushing in the United Kingdom of oilseeds and nuts for oil. Disposals relate to home-produced cake and meal and also imported cake and meal and include exports. Stocks are those held by main processors, including crushers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' figures relate to Great Britain only. Stocks held by importers and dealers are also included.

Wheat milling offals

Wheat milling offals (wheat feed) production is a residual from the milling of home-grown and imported wheat. Disposals comprise not only home-produced offals but also imported supplies and include exports. Stocks are those held by main processors, including flour millers, provender millers and compound feedingstuffs manufacturers. Provender millers' and compounders' stocks relate to Great Britain only. Stocks held by importers and dealers are also included.

Compound feedingstuffs

Only production by commercial manufacturers is included. Compound feeding-stuffs include grain balancers and concentrates. Material supplied by farmers for processing to their own requirements is excluded.

Potatoes

The figures relate to the United Kingdom; those for Great Britain have been provided by the Potato Marketing Board, and those for Northern Ireland by the Department of Agriculture for Northern Ireland.

Sales of potatoes from farms are the quantities sold for food, for processing and for export; they include an estimate for human consumption in farm households and the surplus potatoes fed to livestock or processed under schemes for implementing the Agriculture Act, 1947. Production on allotments and gardens, potatoes used for seed, potatoes fed to livestock outside the schemes and surpluses for which compensation has been paid, are excluded.

Disposals for food in the United Kingdom are the total quantities of potatoes, as recorded by the Potato Marketing Board, moving into human consumption from all sources except non-agricultural holdings.

Sugar

Production relates to refined and raw sugar (in terms of refined) from home grown sugar beet, as recorded by the British Sugar Corporation.

Disposals for food in the United Kingdom include sugar used in the manufacture of products such as confectionery and jams for export, as well as for home consumption; they also include the refined equivalent of sugar used in the production of syrup and treacle and other sugars, for example, invert sugar and caramel. Stocks include imported and home produced supplies of refined and raw sugar (in terms of refined) held in the United Kingdom by refiners and by the British Sugar Corporation.

Glucose

The figures cover the production of liquid and solid glucose and dextrose monohydrate.

Jam and marmalade

The figures show the quantities produced, delivered and held in stock by manufacturers. From 1 January 1975 figures are derived from the Business Statistics Office quarterly sales inquiries.

Animals slaughtered, meat produced and meat stocks

Animals slaughtered

The figures are those of animals slaughtered in the United Kingdom, including imported fat animals. From July 1954 they are derived from returns recording slaughterings in public and licensed slaughterhouses, including bacon factories. Unrecorded domestic slaughter and slaughter in knackeries are excluded. Slaughterings of poultry are derived through census returns together with statistics on chick-placings for, and packing-stations throughput of, table poultry.

Meat produced

From July 1954 the figures represent the estimated production of carcass meat (including trimmings from bacon pigs) and offal from slaughterings, as defined in the preceding paragraph, and from information available on dressed carcass weights. Pig meat used for the production of bacon and ham is excluded.

Poultry meat

Estimates of production are on the basis of dressed carcass weights (oven ready) and are published only in the *Annual Abstract of Statistics*.

Bacon and ham

Production figures relate to the output of curing factories from both home-killed and imported carcasses; production by pig clubs or other domestic producers is excluded.

Disposals include supplies of home produced or imported bacon and ham moving into consumption and also such supplies as are used for canning in the United Kingdom. They do not include any imported canned bacon and ham.

Canned meat

Figures of production relate to all types of canned and bottled meat and meat products. Meat extracts and essences, soups and pastes are, however, excluded.

Home produced or imported meat or bacon and ham used for canning are also included in the figures of home production or imports of those commodities. From 1 January 1975 figures are derived from the Business Statistics Office quarterly sales inquiries.

Meat stocks

The figures represent the stocks of imported meat held in public cold stores, but not in stores reserved for private concerns or in undischarged cargoes. Prior to January 1964 meat stored below 14°F was excluded.

Fish and fish products

Fish

Fish, fresh, frozen and cured, excluding shellfish.

UK landings, which exclude freshwater fish, are the quantities of fresh and frozen fish and edible offal landed by British fishing vessels. Frozen fish can be landed whole, headless or as fillets and is expressed as fresh landed weight equivalent.

Total disposals, which include disposals for export, include fresh, frozen and cured fish. They are expressed in terms of landed weight.

Disposals for food in the United Kingdom include fish used for canning (except the canning of pet foods) whether for home consumption or for export. The landed weight of fresh, frozen and cured fish which is exported, fish taken by fishmeal manufacturers, fish condemned or unsold, and fish used for pet food manufacture, is excluded. The column headed filleted weight shows the estimated edible equivalent, on a fresh fish basis, of the fresh, frozen and cured fish intended for human consumption.

Preserved fish in cans, bottles, jars, etc.

Up to and including 1974 these figures relate to canned

fish only, the principal varieties being herrings, sild, brisling and pilchards; canned roes are also included. From 1 January 1975 figures are derived from the Business Statistics Office quarterly sales inquiries and include fish in cans, bottles, jars, etc. The annual production of canned fish is published in the *Annual Abstract of Statistics*. Quarterly sales and production figures are published in *Business Monitor* PQ214.

Oils and fats

The quantity of oilseeds and nuts processed by crushing, expelling and extraction is recorded, and also the resulting production of crude vegetable oil.

The crude oil equivalent of the refined oils used in the manufacture of margarine and compound fat and other foods is included in the disposals of vegetable oils, together with the crude oils used as such for soap and other industrial purposes. Exported supplies are included in the disposals.

The crude oil equivalent of the refined herring and other marine oils used in the production of margarine and compound fat is recorded as the disposal of marine oils. Between 1954 and 1959 inclusive, disposals are only of whale oil.

Butter contained in butter-blended margarine is included in the production of margarine.

Stock figures include the quantities of oilseeds and nuts, vegetable oils and marine oils respectively held by seed crushers, hardeners and refiners of oil and manufacturers of margarine, compound fat and soap.

Milk and milk products

The figures cover milk sold through the marketing schemes for use as liquid milk and for the manufacture of milk products including cream and farmhouse cheese. The quantity consumed by farm households and used on farms for butter and cream production or calf rearing is excluded.

Under the National Milk Scheme, free milk is available to the following categories: expectant mothers, and all children under school age in families receiving supplementary benefit, or family income supplement, or in special need because of low incomes; expectant mothers who already have two children under school age, regardless of family income; all children under school age, except the first two, in families with three, or more children under school age, regardless of family income; handicapped children aged 5 to 16 years who are not registered pupils at a school or special school; and children under school age attending an approved day nursery or play-group or with an approved childminder.

Under present legislation, local education authorities in England and Wales are required to supply milk free of charge (normally one third of a pint on each schoolday) to pupils in maintained schools up to the end of the summer term after they have attained the age of 7 years; to pupils in maintained special schools irrespective of their age; and to children of 7 to 11 years old where it is recommended on health grounds. In addition, local authorities have been empowered since the autumn term of 1978 to provide free school milk to all 7 to 11 year olds in maintained schools. The cost of this scheme net of EEC subsidy—see below—was initially met by central government but since 1 April 1979, expenditure has been eligible (with compulsory expendi-

ture on free school milk), for Rate Support Grant. From May 1977, EEC subsidies have been available for member states' programmes for supplying milk and certain milk products (including those used in the preparation of meals) to school children. The EEC subsidy is conditional upon a minimum contribution being made by authorities in the member states concerned.

The arrangements currently in force for the provision of milk in schools in Scotland are broadly similar to those for England and Wales. In Northern Ireland by statutory requirement all children of primary age in schools serving meals receive $\frac{1}{2}$ pint per pupil per day; pupils in schools which do not serve meals receive $\frac{1}{4}$ pint per day.

Milk products

Figures for butter relate to the output of home creameries and are based on milk usage; production of butter on farms is excluded. Butter stocks represent quantities held in public cold stores, but not in stores reserved for private concerns or in undischarged cargoes.

Figures for cheese relate to all home produced cheese other than the small quantities produced on farms outside the Farm Cheesemakers' Scheme. Figures for processed cheese are excluded as it is a re-manufacture of home produced and imported cheese.

The condensed milk and milk powder series relate throughout to the quantities produced from full-cream or skimmed milk.

Eggs in shell

Disposals show the estimated quantities of hen and duck eggs produced for consumption in shell and for processing for human consumption in the United Kingdom, together with imported eggs. Sales for food relate to output for human consumption of hen and duck eggs.

Canned and bottled fruit, canned vegetables and canned soups

Fruits canned or bottled in the United Kingdom include home grown plums, apples, all varieties of soft fruit, and rhubarb; fruits such as peaches, pears and pineapples, imported either fresh or in containers and canned here, are also included. Stocks are those held by manufacturers.

The chief varieties of vegetables canned are peas (either fresh or processed) and beans in tomato sauce, but carrots, potatoes and other roots, certain green vegetables, and macaroni and spaghetti in tomato sauce are also included. Stocks are those held by manufacturers.

Vegetable soups are included in the figures of canned soups. The production of canned soups relates to the ready-to-serve equivalent from 1961 onwards; earlier figures relate to the net can content. From 1 January 1975 figures are derived from the Business Statistics Office quarterly sales inquiries.

Foods specially prepared for invalids, babies and young children are excluded.

Cocoa beans

Disposals are the quantities of raw cocoa beans used for grinding in the United Kingdom and exclude re-exports.

Chocolate and sugar confectionery

Medicated confectionery is excluded. Disposals include exports but not re-exports. Stocks are those held by manufacturers only.

Tea

Disposals are the quantities moving into consumption and exclude re-exports. Stocks comprise tea held in public warehouses, including the quantity entered for Customs but not yet landed, and amounts held by primary wholesalers.

Raw coffee

Disposals are the total quantities, in terms of raw coffee equivalent, used for all purposes. They include re-exports of raw beans and exports of processed coffee. Stocks comprise raw coffee in public warehouses and in transit to such warehouses and, since 1963, manufacturers' stocks.

Soft drinks

Concentrated (squashes, cordials, etc.) and unconcentrated (table waters, etc.) drinks are differentiated. Glucose and diabetic drinks and fruit juices (including unfermented apple juice but not tomato juice) are included. Production from flavouring compounds is also included but not the production of flavouring compounds as such, nor of soft drinks in solid form; spa waters are not included. From April 1973 figures relate to sales figures taken from the Business Statistics Office quarterly sales inquiries.

Tobacco products

The figures are supplied by HM Customs and Excise.

Before 10 May 1976 customs revenue duty on tobacco was charged on imported unmanufactured leaf on removal of the leaf from bonded warehouse into the tobacco factories, and on imported manufactured products on removal from warehouse to home use. Duty was repaid on exports and on certain tobacco waste. On 10 May 1976 the rates of duty were reduced and an excise duty charged on removal of the finished products from the factory, or warehouse, to home use. Excise duty on exports was remitted.

The customs revenue duty on unmanufactured leaf was abolished on 1 January 1978 and the excise duty on finished products increased. As a result of this change in charging duty unmanufactured stocks figures are no longer available, and, because the duty on cigarettes is charged on their number and value, the weight of cigarettes removed to home use is not available.

From 1 January 1980 the duty rates on tobacco products other than cigarettes are expressed in kilograms. Quantity statistics for these products are now given in kilograms.

Alcoholic drinks

The figures are supplied by HM Customs and Excise, who can supply more detailed information if required.

Spirits

The quantities are now given in litres of alcohol. This is a

consequence of the adoption on 1 January 1980 of the OIML (Organization Internationale de Metrologie Legale) system of alcoholic strength measurement and the metrication of the duty rates for spirits. These changes replace the Sikes system under which spirits were measured in proof gallons. A litre of alcohol is equivalent to about 3 3/10ths normal bottles at 40 per cent alcohol by volume, the typical strength at which most whisky is sold in the United Kingdom.

Production figures in the *Monthly Digest of Statistics* show the quantity of spirits distilled from malt and from unmalted grain for beverage consumption. The *Annual Abstract* series includes, in addition, a small quantity of beverage spirits produced by rectification of spirits distilled from molasses; in the financial year ended 31 March 1979 this amounted to about 14.9 thousand hectolitres of alcohol a month.

The consumption figures show the net quantities of spirits on which duty was paid, analysed by their description at the time of duty payment. Repayments are offset against the month in which the revenue is repaid. Mature spirits are spirits which have been warehoused for three years or more: delivery of immature spirits for home consumption is restricted to compounded or rectified spirit and liqueurs.

Imported liqueurs: these comprise spirits, whether mature or immature, which at the time of duty payment contain added sweetening materials.

Other imported spirits (mature and immature): Until 1 January 1976 these figures excluded perfumed spirits and those spirits which had been used in the manufacture of other commodities (e.g. chocolate liqueurs). Most of the spirit in this category is neutral spirit.

Home-produced mature spirit: this is almost exclusively whisky.

Home-produced immature spirit: this comprises the quantity of plain spirit duty-paid prior to rectification or compounding, less the quantity of compounded spirit re-warehoused on drawback after rectification, etc., plus the quantity of compounded, etc., spirit duty-paid ex-warehouse for final consumption. The addition of the two columns for immature spirit shown in the *Monthly Digest of Statistics* table gives a rough indication of the consumption of gin and vodka in the United Kingdom.

Unclassified spirit: these are spirits for which information supplied on the documents has been inadequate to identify the origin or type of spirit.

Beer

Production figures relate to the quantity of worts produced during the period less a standard deduction of 6 per cent, 'worts' being the liquid produced from the mash before fermentation has begun. The average gravity is now about 1,037.5 degrees.

Consumption figures show the net quantities of beer, including imported beer, on which duty was paid during the period. Repayments, e.g. on spoilt beer and drawbacks, are offset against the month in which the revenue is repaid.

From January 1976 statistics of home production and consumption take account of high gravity brewing wherein some brewing liquor is added after fermentation. The figures in each case are given in hectolitres irrespective of the gravity at which they are brewed. Duty is payable on

imported beer at the time of import; on home-produced beer it is normally payable in the month following the month of production.

Wine of fresh grapes

Wine is any fermented beverage made from fresh grapes, and includes fortified wines and vermouths. The consumption figures show, by fiscal strength band, the net quantities on which excise duty was paid. Following adoption on 1 January 1980 of metric units of measurement for wine, consumption figures are now given in hectolitres.

The three strength band excise duty structure is determined by the percentage of alcohol by volume at 20°C. Wine excise duty is charged at different rates for strengths of: not exceeding 15 per cent, over 15 and up to 18 per cent, and over 18 and up to 22 per cent. These bands are referred to as 'lower', 'middle' and 'higher' respectively. This system was introduced on 1 January 1976 and replaces the two strength band system in which the duty charged was based on the proof spirit content.

Statistics giving clearances of wine by tariff code number and a limited number of country headings are available on subscription.

Made-wine

Made-wine is any fermented beverage other than wine of fresh grapes, beer, lower strength cider and perry, that is containing less than 8·7 per cent of alcohol by volume. It includes cider and perry of artificially high strength. The figures are net quantities duty-paid in the period. Net quantities duty-paid in the period are now given in hectolitres.

More detailed statistics are available on subscription.

Cider and perry

Cider and perry of a strength less than 8·7 per cent of alcohol by volume obtained from the fermentation of apple or pear juice without the addition of artificial colouring or flavourings, is now liable to excise duty. The consumption figures are the net quantities duty-paid in the period. Net quantities duty-paid in the period are now given in hectolitres.

Duty is normally payable in the month following the month of production.

Household food expenditure and consumption

The sample

In the course of a year the National Food Survey investigates the food budgets of about 8,000 households in 46 parliamentary constituencies, selected so as to be representative of Great Britain as a whole. In each household surveyed the housewife keeps a record for one week of all food purchased or entering the house without payment. A full description of the sampling methods of the National Food Survey are given in the Annual Report for 1977, *Household Food Consumption and Expenditure: 1977* (HMSO 1978).

Free supplies (garden, allotment produce, etc.) are included in the consumption figures with the result that average prices or values derived from the data published in the *Monthly Digest of Statistics* may be understated. (Estimates of average prices paid by housewives for over a hundred and fifty food items, however, are to be found in

the Annual Reports of the National Food Survey Committee.)

Household

A group of persons living in the same dwelling and sharing common catering arrangements. The size of household is defined in terms of the number of persons who spend at least four nights in the household during the week of survey and also have at least one meal a day from the household food supply on at least four days. The head of the household and the housewife are regarded as persons in *all cases*.

Old age pensioner households

Households in which at least three-quarters of the total income is derived from national insurance retirement or similar pensions and/or supplementary pensions or allowances paid in supplementation or instead of such pensions. Such households will include at least one person over the national insurance retirement age.

Adult

A person aged 18 years or over.

Child

A person under 18 years of age.

Food purchased

Quantities of all foods purchased during the week for consumption in the home (but including *purchases* of milk at school). The Survey excludes food eaten outside the home (except packed meals prepared at home), chocolate and sugar confectionery, soft drinks, alcoholic drinks, vitamin preparations, and food obtained specifically for consumption by domestic pets. For a few minor miscellaneous items, expenditure is recorded, but not the quantity (e.g. artificial sweeteners, flavourings, colourings, etc.).

Free food

Quantity of food entering the household without payment for consumption during the Survey week. Milk supplied under the Milk in Schools Scheme is included although it does not actually enter the household. Food grown or produced by the household and stored in bulk is recorded only when it is withdrawn from store.

Consumption

Averaged over a sufficiently large number of households and a sufficiently long period, the average quantity of food purchased plus the quantity of 'free' food will equal the average consumption if there is no general change in the level of larder stocks.

Classification of foodstuffs

Other milk

Includes condensed milk, dried milk, yoghurt, goats' milk, skimmed milk (liquid and dried) and buttermilk.

Preserves

Include jams, jellies and curds, marmalade, syrup, treacle, honey and honey spreads.

Other cooked and canned meats

Include corned meat; luncheon meat; pressed or cooked beef, veal, mutton, lamb, pork; veal and ham; tongue; brawn; meat puddings and pies; ready meals (but not frozen).

Other meat products (not canned)

Include meat pies; sausage rolls; pasties; puddings; ready meals (includes frozen convenience meat products).

Fish, fresh and processed

Includes smoked, dried, salted, cooked; pastes, spreads, etc.

Fish and fish products, frozen

Include frozen white fish (cod, haddock, plaice, etc.) and frozen convenience fish products (e.g. fish fingers).

Fresh green vegetables

Include fresh cabbages, brussels sprouts, cauliflower, leafy salads, peas, beans, spinach, sprouting broccoli and kale.

Other fresh vegetables and frozen vegetables

Include root vegetables, cucumbers, mushrooms, frozen vegetables and frozen vegetable products (including potatoes).

Potatoes

Include new and old potatoes, but not canned potatoes, chips, crisps and other potato products.

All other fresh fruit

Includes pears, stone fruit, soft fruit, bananas, rhubarb, melons, etc.

Bread

Includes rolls, Vienna and French bread, barley bread, fruit and malt bread, rye bread and starch-reduced bread.

All other foods (for which expenditure only is shown)

Includes cream, rabbit, hare, horse meat, etc.; cooking oils, suet, dripping, etc.; canned vegetables other than pulses, potatoes or tomatoes; dried vegetables; processed potatoes and vegetable products other than frozen; frozen fruit, fruit juices; canned milk puddings, rice, certain other cereal foods and products (including frozen); bean and ground coffee, coffee essences, branded food drinks; baby foods; spreads, dressings; dehydrated and powdered soups; bones, meat and yeast extracts, table jellies; condiments, herbs, flavourings, gravy powders, spices, curry powders; ice cream bought to serve as part of a meal, artificial sweeteners; novel protein foods.

VII. PRODUCTION, OUTPUT AND COSTS

Index of industrial production

This index is prepared by the Central Statistical Office in collaboration with the statistics divisions of government departments. It has been calculated with 1975 as base year for each month from January 1973. The purpose and methods of compilation of the index are described in terms of the 1970-based series in Studies in Official Statistics No. 25: *The measurement of changes in production* (HMSO 1976). An article in *Economic Trends* No. 205, May 1979: 'The rebased estimates of the index of industrial production' by D.C.K. Stirling, gives a detailed assessment of the effects of rebasing and improvements in the methodology for compiling the index. An Occasional Paper is available from Branch 5, Central Statistical Office, describing the weights and indicators used in compiling the rebased index. The previously published quarterly seasonally adjusted series from 1952, and annual series from 1948, reclassified as far as possible on to the 1968 Standard Industrial Classification have been linked to the 1975-based data using 1973 as the link year.

The index is intended to provide a general measure of monthly changes in the volume of industrial production in the United Kingdom. Mining and quarrying, manufacturing, construction, and gas, electricity and water are included; but agriculture, trade, transport and finance and all other public and private services are excluded. The index covers the production of both capital goods and consumer goods for the home market, for export and for the armed forces.

The index is a weighted arithmetic average. In combining the individual production series, the method used has been

to give each industry a weight proportional to its value added in 1975 derived from the Census of Production for that year.

One third of the series used have only quarterly indicators. The remaining series are compiled from monthly data. About one quarter of the series represent physical quantities produced or the value of production adjusted for changes in prices. Other series, about one third, make use of quarterly sales inquiries covering the entire output of the industry and relate either to physical quantities sold or, more usually, to the value of sales adjusted for changes in prices. The remaining indicators are obtained from the results of monthly sales inquiries, quarterly surveys of work done and, to a much lesser extent, materials input or consumed.

The level of production is expressed as a percentage of the average monthly production in 1975. To ensure comparability between different months, adjustments have been made (where the basic figures refer to calendar months) for variations in the number of days in each month, excluding for each industry those which are not normally working days. The index thus compares the average weekly rates of production in the different months. It reflects, however, any change in production resulting from public and other holidays and from seasonal factors, for which no adjustments have been made.

Adjustments for seasonal variations

Indices which have been adjusted for holidays and other causes of seasonal variation are also prepared. These series

are designed to eliminate normal month to month fluctuations and thus to show the trend more clearly.

Adjusting for seasonal variation is more hazardous than adjusting for the varying number of working days in a month. It is to some extent dependent on judgment and interpretation and is partly based on the assumption that the seasonal pattern of recent years will recur in the year ahead. Since the seasonal pattern may be changing, the month to month variations have to be kept under review and periodically the seasonal adjustment factors are reassessed.

The estimates of seasonal movement are obtained in two steps. The indices of production as published are already adjusted for differences in the number of days in each month and the first step is to estimate the movement in the indices arising from moveable public holidays. The indices are adjusted to remove the effect of these holidays, and further adjusted so that the annual average is equal to the average of the unadjusted indices.

The second step is to determine the remaining seasonal variations (including those due to regular public holidays) by averaging percentage deviations in each month from a succession of moving averages. These averages are used to calculate a seasonal adjustment factor for each month; this may change from year to year if the seasonal pattern is altering. The method of seasonal adjustment which is currently being used for this index is the X-11 variant of the Census Method II Seasonal Adjustment Program which is described in *Technical Paper No. 15* of the US Department of Commerce, Bureau of the Census.

These seasonally adjusted series of indices should not be regarded as in any way more reliable than the unadjusted, and are not intended to replace them. The original unadjusted series are the measures of changes in the weekly rate of production from month to month while the seasonally adjusted series, which exclude regularly recurring fluctuations, are designed for the sole purpose of making the trend more readily discernible.

Industrial classification

The industrial analysis of the index is in conformity with the *Standard Industrial Classification* (HMSO 1968) to which reference should be made for details of the composition of each industrial group.

Market sector analysis

These groupings combine the output of industries which meet broadly similar categories of demand. They were introduced and described in *Economic Trends*, November 1973. It should be noted that movements in the output of these sectors will not correspond with movements in similar

categories of expenditure; because, for example, not all of the output of an industry which produces consumer goods will form part of consumers' expenditure in the United Kingdom since part of the output is likely to be exported. Similarly, not all of the output of investment goods industries will contribute to capital formation.

Output per head

For this series output for the economy as a whole is the output-based measure of the gross domestic product. This series is used to achieve consistency with the industrial analysis for which the measures of output are the constituent series of the index of production. Output per head is defined as the output per person employed i.e. the denominator includes employees in employment, and self-employed persons (with or without employees), including both full-time and part-time workers as full units. Members of HM Forces are included in the denominator for the whole economy.

Indices of labour costs

The index of total home costs per unit of output is derived by dividing the estimate of gross domestic product at current factor cost based on expenditure data by the corresponding estimate valued at constant prices. In the series for both wages and salaries and labour costs the denominator is the income-based gross domestic product at current prices deflated by the series for total home costs.

Labour costs include not only wages and salaries but also employers' national insurance contributions, selective employment tax less premiums and refunds, contributions to the Redundancy Fund and to superannuation schemes, pension funds, the national insurance surcharge, etc.

Both the series for output per head and labour costs were first published in *Economic Trends* (October 1968) and the *Employment and Productivity Gazette* (October 1968). The article accompanying the series describes in greater detail the construction and significance of the figures.

From January 1972 the annual indices of wages and salaries and labour costs per unit of output for certain industrial groupings are replaced by a monthly index of wages and salaries per unit of output in manufacturing industries prepared by the Department of Employment. The series was first published on page 360 of the *Department of Employment Gazette* (April 1971) where the construction and significance of the figures are described in detail. The annual series for the selected industrial groupings will continue to appear in the *Employment Gazette*.

VIII. ENERGY

Inland energy consumption: input of primary fuels and equivalents

Coal

Consumption by primary and secondary fuel producers plus disposals to final users, plus (for annual figures only) net foreign trade and stock-change in other solid fuels.

Petroleum

Refinery throughput of crude oil, plus net foreign trade and stock-change in petroleum products, less deliveries of non-energy products.

Natural gas

Indigenous natural gas (methane) produced, excluding the

amount flared or re-injected, *plus* imports, *plus* colliery methane piped to the surface and consumed at collieries or sold. Supplies for non-energy purposes are included.

Nuclear electricity

Electricity generated by public supply nuclear power stations together with estimates of electricity generated for public supply by other nuclear sources.

Hydro electricity

Electricity generated by public supply and industrial hydro stations (excluding pumped storage stations) adjusted to take account of the net quantities of electricity imported.

Coal and oil equivalent

The conversion factors used are:

1 tonne of petroleum = 1.7 tonnes of coal

250 therms of natural gas = 1 tonne of coal

Nuclear and hydro electricity is expressed in coal or oil equivalent as the notional amount of fossil fuel that would have been needed to produce the same quantities of electricity at the efficiency of contemporary conventional steam power stations.

Temperature corrections

The corrections used are:

Temperature correction per centigrade degree

Coal 2.1%

Petroleum 0.7% (June-Aug.)

1.8% (Sept.-May)

Natural gas is corrected based on a method developed by the British Gas Corporation.

The adjusted total inland energy consumption series includes temperature corrections for coal, petroleum and natural gas. The figures for consumption of other primary fuels are not corrected for temperature.

Supply and use of fuels

Production of primary fuel

Coal. Includes all types of coal. Slurry, whether re-covered by the National Coal Board or by other operators is included.

Petroleum. Crude petroleum and naturally occurring gases, ethane (C_2), propane (C_3), butane (C_4) and condensates (C_5 or heavier) from onshore and offshore fields.

Natural gas. As described under inland energy consumption.

Primary electricity. Nuclear and hydro electricity as described under inland energy consumption except that no adjustment is made for net quantities of electricity imported.

Non-energy use

Petroleum products not used as fuels i.e. feedstock for petroleum chemical plants, industrial and white spirits, lubricants, bitumen, waxes and miscellaneous products.

Total primary energy

This is the sum of the thermal contents of primary fuels consumed by secondary fuel producers and those consumed

directly by final users and primary fuel producers. The difference between this total and the total thermal content of all fuels consumed by final users comprises:

(a) use of fuels by collieries (other than for generation of electricity for sale to the public supply) and oil refineries and by secondary fuel producers for other than conversion;

(b) losses in the distribution of primary and secondary fuels, losses by secondary fuel producers in conversion processes and fuel industries own use.

The thermal content of primary fuels consumed by secondary fuel producers consists of their thermal inputs of coal, petroleum and natural gas *plus* the thermal equivalent of the fossil fuel which would be required to produce nuclear and hydro electricity, as defined above under 'Coal and oil equivalent'.

Final consumption

Detailed definitions of the final consuming sectors are given in the *Digest of United Kingdom Energy Statistics* (HMSO) prepared by the Department of Energy.

Conversion to therms

In expressing fuel consumption in therms, no conversion is necessary for gases (except petroleum gases). Electricity is converted at 29.3 kWh. = 1 therm. The estimated gross calorific values used to convert the statistics for petroleum gases and solid and liquid fuels are published in the *Digest of United Kingdom Energy Statistics*.

Coal: supply

Net inland supply

The sum of total production and net imports.

Deep mined coal

Production figures relate to saleable output, i.e. the sum of the coal sold commercially, consumed by the colliery and supplied to ancillary works, and disposed of free and at concessionary prices; *plus* the increase or *less* the decrease in colliery stocks of saleable coal. Slurry and coal recovered from colliery tips by the National Coal Board is included in deep mined production when sold or consumed at the colliery. Estimates for slurry recovered other than by the National Coal Board are included in total production only.

Opencast coal

Coal which is not mined but is obtained from deposits near the surface mainly by contractors. Screening and washing losses are excluded.

Coal: imports and exports

The figures are derived from returns made by importers and exporters to HM Customs and Excise, and published in summary form in the *Overseas Trade Statistics of the United Kingdom* (HMSO).

Coal: inland consumption

Collieries

Coal used for boilers, colliery power stations and other purposes.

Power stations

Coal used for all purposes at public supply power stations and railway and other public transport undertakings.

Coke ovens

Coal carbonized, consumed for other purposes or lost in cleaning at coke ovens.

Gas works

Coal used for all purposes at gas works making gas for public supply.

Other conversion industries

Consumption of coal at low temperature carbonization plants and briquette works.

Industry

Coal used for all purposes at other industrial establishments. The figures relate to colliery and opencast disposals.

Domestic

House coal: The figures relate to colliery and opencast disposals and include coal supplied free of charge or at reduced prices to miners, officials, etc. in the coalfields.

Other: Figures include colliery and opencast disposals of anthracite and dry steam coal plus disposals of imports of those naturally smokeless fuels.

Other

Colliery and opencast disposals to national and local authorities, commercial and non-industrial establishments, transport undertakings (excluding power stations) and shipments to the Channel Islands.

Coal: stocks

Distributed stocks are those held by the fuel conversion industries, by railways and by the armed services. Undistributed stocks are those held at collieries, opencast sites and central stocking grounds.

Mined coal: manpower and productivity

Figures for manpower, recruitment and wastage, absence and output per manshift relate only to collieries operated by the National Coal Board.

Wage earners on colliery books

Workers in industrial grades employed at collieries and in activities connected with the getting, raising, handling, preparation and transport of coal, or other minerals which are got with coal, up to the point of despatch to consumers outside the colliery. These activities include coal preparation plants, powerstations forming part of the colliery, and landsale depots but exclude central workshops and central power stations. Industrial grade workers include colliery under-officials up to the rank of overman but exclude undermanagers, other administrative staff and clerical workers.

Workers absent with good reason and known to be intending to return are retained on colliery books up to eighteen months. Workers absent without good reason are normally removed from the books at the end of the third consecutive week of absence.

Recruitment

The number of men signed on at collieries during the period excluding men known to have transferred from another colliery without a break in their service.

Wastage

The number of men struck off colliery books during the period *less* the number of men excluded from recruitment as transfers from other collieries.

Absence

The percentage of authorised absences, mainly for reasons of sickness or injury, *plus* unauthorised absences in the five-day week to the number of men on books multiplied by the number of days in the period excluding Saturdays and Sundays.

The absence percentage is based on all men on colliery books including long-term sickness and injury cases. Absentees do not, however, include men attending training classes, trade union or Consultative Committee meetings, or men who lose shifts on account of recognized holidays, disputes and other causes of stoppages of work.

Average output per manshift

Overall and underground (total): The total output of saleable revenue coal divided by the total revenue manshifts worked.

Underground (production): The output of saleable revenue coal from production faces divided by the number of manshifts worked by men directly engaged on the coal-selling operations, including craftsmen, trainees and officials.

Gas: public supply

The public gas supply system consists of the British Gas Corporation and the gas supply undertakings in Northern Ireland.

Natural gas supply

This is the total natural gas input into the distribution system after stock changes at British Gas Corporation installations have been taken into account. Indigenous supplies include those purchased by the British Gas Corporation from operators on the United Kingdom part of the Continental Shelf as well as from those operating on land in this country.

Other fuel used

The coal and oil (including petroleum gases) used by the gas supply industry for gas making and for all other purposes.

Gas sent out

Town gas includes gas made, other than substitute natural gas, together with manufactured and natural gas pur-

chased by the gas supply industry and reformed. Natural gas for direct supply includes substitute natural gas and gas supplied for non-energy purposes.

Sales of gas: public supply

Gas sales include adjustments to the quantities billed to allow for the estimated consumption remaining unread at the end of each period. The figures of gas supplied to the iron and steel industry are based on information provided by that industry.

Electricity: public supply

The public supply electricity industry comprises the Central Electricity Generating Board and Area Electricity Boards in England and Wales, the North of Scotland Hydro Electric Board, the South of Scotland Electricity Board and the Northern Ireland Electricity Service.

Fuel used

The factors used for conversion to coal equivalent are given under 'Coal and oil equivalent' above.

Own use

This is the difference between total electricity generated and electricity supplied, and is the electricity used at the works for lighting and auxiliary power, and for pumping at pumped storage stations.

Total electricity available

This comprises electricity supplied from public supply stations *plus* purchases from industrial producers (mainly nuclear power stations of the United Kingdom Atomic Energy Authority and British Nuclear Fuels Limited) *plus* net imports from France and Eire. The figures for England and Wales take account of net exchanges with Scotland.

Sales of electricity: public supply

Sales are less than total electricity available because of losses in transmission and distribution and includes consumption by the supply industry's offices and showrooms. The sales figures included for England and Wales, for the South of Scotland, for Northern Ireland and for North of Scotland, from 1967/68, 1973, 1975 and 1977 respectively, include an adjustment to the billed sales to allow for the estimated usage remaining unread at the end of each period. Prior to these dates, the figures relate to sales actually recorded on meters read during the period concerned.

Electricity: public supply plant capacity

Output capacity

The maximum continuous rating of the generators after allowing for station consumption and any limitations in the capacity of prime movers. The change in output capacity may differ from the amount of new plant brought into commission, because of scrapping of old plant or the re-rating of plant continuing in use.

Maximum load United Kingdom

The simultaneous maximum load in Great Britain together with the maximum load met during the period, although not necessarily at the same time, in Northern Ireland. Annual figures are the maximum occurring near the end of the year or early in the following year.

Simultaneous maximum load is defined as the maximum load on the grid at any one time *plus* the load on stations not connected to the grid. For Great Britain it is the sum of the maximum load met by the Central Electricity Generating Board and the loads met at the same time by the two Electricity Boards in Scotland.

Petroleum

Gross indigenous production

This is the aggregate amount of:

(a) crude petroleum produced on land.

(b) crude petroleum produced in the UK part of the Continental Shelf and includes any petroleum gases and condensates separated from the oil at subsequent processing stages (prior to refining). This quantity is as recorded before deduction for utilities use or adjustment for stock change on platform (including tanker-loading systems) or losses.

(c) condensates from gas fields (production is measured at the land terminal separation plant after the gas has been processed and condensates extracted).

Arrivals and shipments

The terms 'arrivals' and 'shipments' are used to distinguish figures recorded by importers and exporters of oil from import and export figures provided by HM Customs and Excise. Arrivals and shipments are used in order to be consistent with the other statistics reported by the petroleum industry.

Refinery production

Crude and process oils comprise all feedstocks, other than distillation benzenes, for treatment at refinery plants. The figures do not cover the further treatment of finished products for special grades such as in distillation plants for the production of industrial spirits.

Inland deliveries into consumption

Deliveries of all petroleum products in the United Kingdom and the Channel Islands including petroleum substitutes marketed by the petroleum industry. Coal tar fuels, natural gas (methane) and refinery fuel are excluded. Otherwise, the figures are inclusive of the petroleum industry's own use.

Gas/diesel and fuel oils used in coastal and fishing craft are included in inland deliveries, but deliveries under bunker contracts for ships engaged in foreign trade are excluded.

Deliveries of motor spirit to dealers comprise deliveries to garages and other retailers. Commercial consumers are those receiving direct deliveries for use in their own businesses.

Products used as fuel

Refinery fuel—all petroleum products used as fuel at refineries.

Propane—hydrocarbon containing three carbon atoms, gaseous at normal temperature but generally stored and transported under pressure as a liquid. Used mainly for industrial purposes and some domestic heating and cooking.

Butane—hydrocarbon containing four carbon atoms, otherwise as for propane. Additional uses—as a constituent of motor spirit to improve volatility and as a chemical feedstock.

Other gases for gas works—ethane and refinery gases—resulting from the processing of crude petroleum.

Naphtha (light distillate feedstock) for gas works—petroleum distillate boiling predominantly below 200°C.

Aviation spirit—specially blended light hydrocarbons intended for use in aviation piston-engined power units.

Wide-cut gasoline—light hydrocarbons intended for use in aviation gas-turbine power units.

Motor spirit—blended light petroleum distillates used as a fuel for spark-ignition internal combustion engines other than aircraft engines.

5 star grade—all finished motor spirit with an octane number (research method) not less than 100.

4 star grade—all finished motor spirit with an octane number (research method) not less than 97.

3 star grade—all finished motor spirit with an octane number (research method) not less than 94.

2 star grade—all finished motor spirit not intended for marketing as 5, 4, or 3 star grades.

Aviation turbine fuel—specially refined kerosine intended for use in aviation gas turbine power units.

Burning oil (kerosine)—refined petroleum distillate intermediate in volatility between motor spirit and gas oil, used for lighting and heating. Excluding distillates which are included under white spirit and kerosine used for lubricant blends.

Vaporizing oil—blended kerosine-type petroleum distillate used in certain types of spark-ignition engines such as those used for agricultural purposes, stationary engines and boats.

Gas/diesel oil—petroleum distillate having a distillation range intermediate between kerosine and light lubricating oil:

(a) **Derv (Diesel Engined Road Vehicle) fuel**—gas/diesel oil suitable for use in high-speed, compression-ignition engines in road vehicles subject to Vehicle Excise Duty.

(b) **Other**—used in furnaces for the production of heat

(e.g. for central heating) in diesel engines of vehicles not subject to Vehicle Excise Duty (e.g. diesel locomotives, tractors, earth-moving equipment) and in stationary diesel engines and gas turbines (e.g. for the generation of electricity and for air compressors, etc.).

(c) **Marine diesel oil**—heavier type of gas oil suitable for heavy industrial and marine compression-ignition engines.

Fuel oil—heavy petroleum distillates or petroleum residues or blends of these used in furnaces for the production of heat or power. Excluding fuel oil for grease making or lubricating oil and fuel oil sold as such for road making.

Products not used as fuel

Feedstock for petroleum chemical plants—all petroleum products intended for use in the manufacture of petroleum chemicals. (A deduction has been made from these figures equal to the quantity of feedstock used in making the conventional petroleum products which are produced during the processing of the feedstock. The output and deliveries of these conventional petroleum products are included elsewhere as appropriate.)

White spirit—a highly refined distillate with a boiling range of about 150° to 200°C used as a paint solvent and for dry cleaning purposes, etc.

Industrial spirits—refined petroleum fractions with boiling ranges up to 200°C dependent on the use to which they are put—e.g. seed extraction, rubber solvents, perfume, etc.

Lubricating oils (and greases)—refined heavy distillates obtained from the distillation of petroleum residues. Includes liquid and solid hydrocarbons sold by the lubricating oil trade, either alone or blended with fixed oils, metallic soaps and other organic and/or inorganic bodies.

Bitumen—the residue left after the production of lubricating oil distillates. Used mainly for road making and building construction purposes. Includes other petroleum products, creosote and tar mixed with bitumen for these purposes and fuel oil sold as such for road making.

Paraffin wax—includes paraffin wax, which is a white crystalline hydrocarbon material of low oil content normally obtained during the refining of lubricating oil distillate, paraffin scale, slack wax, microcrystalline wax and wax emulsions. Used for candle manufacture, polishes, food containers, wrappings, etc.

IX. CHEMICALS

Fertilisers

Natural organic fertilisers are excluded from the statistics. Figures are of manufactured fertilisers. Manufactured fertilisers may be straight (i.e. containing only one of the three primary nutrients— P_2O_5 , phosphate; N, nitrogen; and K_2O , potash) or compound (i.e. containing either two or three of these primary nutrients).

Production figures

Phosphate production figures cover only single super-

phosphate and basic slag, and are expressed in nutrient content terms. Production of compounds is expressed as total weight produced.

Deliveries to UK agriculture

All figures include imported fertilisers. Nitrogen deliveries are expressed in nutrient content terms and are divided into straight nitrogen fertilisers and the nutrient content of nitrogen in compound fertilisers. Phosphate and potash delivery figures show the nutrient content tonnes of these primary nutrients in both straight and compound fertilisers.

The total weight of compound fertilisers delivered to UK agriculture is stated separately.

Sulphur and sulphuric acid

Sulphur' etc.

The figures relate to acid sulphur, spent oxide, and zinc concentrates for use in the manufacture of sulphuric acid. Figures for acid sulphur include recovered sulphur and the sulphur content of filter cake, H₂S and ferrous sulphate.

Stocks of acid sulphur include quantities held by consumers and in transit in the United Kingdom. Government stocks are excluded. Stocks of spent oxide are the quantities at acid works.

Sulphuric acid (as 100 per cent acid)

Consumption figures include recovered sulphuric acid.

Dyestuffs and pigments: paint and varnish

Dyestuffs and pigments

The figure for synthetic dyestuffs includes the following groups: acid, azoic, basic, direct, disperse, mordant, sulphur, solvent and vat.

Synthetic organic pigments include toners and lakes.

Sales are stated in terms of actual weight i.e. the total weight of a pigment or dyestuff.

Paint and varnish

The figures relate to sales by manufacturers employing 25 or more persons at the beginning of that year. Figures for cellulose-based paints, varnishes and lacquers include clear solutions and pigmented cellulose paints. Other includes oils and synthetic based non-aqueous paints; marine paint (anti-fouling and anti-corrosive paints and compositions for use below water-line only); bituminous paints.

Synthetic resins and plastics materials

Products of condensation, polycondensation and polyaddition

These include alkyds, aminoplastics, phenolics, unsaturated polyesters, epoxide resins and other products including polyurethanes (non-foam forms). Polyamides (including material for fibre spinning and monomer cast forms) are included but casein products are excluded.

Products of polymerisation and copolymerisation

These include acrylics, polyolefins, polyvinyl chloride, polyvinyl acetate, polystyrene and ABS.

Cellulosics and other plastics and modified natural resins

These include regenerated cellulose film, casein and resin ester gums.

Intermediate forms between resins and semi-finished products

These comprise moulding and extrusion compounds of alkyds, unsaturated polyesters, aminoplastics and phenolics and plasticised and unplasticised compounds of polyvinyl chloride.

Semi-finished products

These mainly comprise laminated thermosetting sheet and unconverted film and sheet.

Other miscellaneous products

Industrial ethyl alcohol

Figures show the quantities of ethyl alcohol produced for industrial purposes; industrial ethyl alcohol is distilled from molasses or derived from other processes. A small quantity of molasses spirit is used in beverage spirit production. This amounted to about 14.9 thousand hectolitres of alcohol a month in the year ended 31 March 1979, and has already been deducted from the figures shown.

Soap

Figures relate to production of manufacturers employing 25 or more persons and represent production for all purposes, including export, of all types of soap except dentifrices. Lathering shaving soap, and cream and soap shampoos are included.

Synthetic detergents

The figures relate to sales of detergents by the larger United Kingdom manufacturers for use primarily for washing purposes. Surface-active material for use as disinfectants, wetters, spreaders and emulsifiers is excluded. Detergent precursors, e.g. dodecyl benzene, and abrasive and scouring preparations containing synthetic detergents are also excluded. The figures are free of double counting of materials at different stages of manufacture.

X. METALS, ENGINEERING AND VEHICLES

Iron and steel

Iron ore

The ferrous content of home ore is about 26 per cent compared with an average of about 59 per cent for imported ore.

Pig iron

Blast furnace iron and blast furnace ferro-alloys.

Consumption in steelworks and steel foundries, wrought iron and refined iron works and iron foundries. Excludes consumption in iron foundries of refined and cylinder iron made otherwise than in blast furnaces.

Scrap

Consumption in steel works and steel foundries, wrought scrap (including scrap arising in own works) consumed in steel melting furnaces and converters, blast furnaces, wrought iron and refined iron works, and iron foundries.

Crude steel production

Steel ingots (including liquid steel for continuously cast blooms, billets and slabs) and steel for castings. From January 1974 the figures are based on usable steel according to the Community definition. The difference is comparatively minor and reduces the figures by about 0.5 per cent.

Crude steel stocks

Ingots and the ingot equivalent of semi-finished and finished steel held at producers' works; excluding stocks held by consumers and stockholders.

Net deliveries of finished steel

Includes imported steel, but excludes all material for intra-industry conversion; exports are included.

Consumers' and stockholders' stocks of finished steel

Finished steel from all sources, i.e. produced in the United Kingdom or imported.

Iron castings

Weight of iron castings in the black state (up to and including settling).

Net deliveries of finished steel from UK production

Heavy rails and accessories

Before 1973 heavy rails are 20 kg. and over per metre for home trade and 18 kg. and over per metre for the export trade. From 1973 heavy rails are 20 kg. and over per metre, home and export.

Other heavy rolled products

Before 1973 angles, tees and sections over 102 united mm and channels over 76 mm web; joists and beams 76 mm web and over; rounds, squares and hexagons 76 mm and over, and flats over 127 mm wide. From 1973 the dimensions are 80 mm web and over for joists and beams; for I, U, H and Z sections 80 mm and over, measured between the outer surfaces of the two parallel planes; for angles 80 mm and over measured on the outer length of the leg or of the longest leg. In all other cases 80 mm and over, measured on the greatest dimension of the cross-section.

Rounds, squares and hexagons 80 mm and over across the face. Flats over 150 mm wide and over 4·76 mm thick.

Wire rods

Rods and bars in coil, excluding bars and rods for reinforcement.

Other light rolled products

Rods and bars for reinforcement; arches, light rails and accessories; bright steel bars; other light rolled sections and hot rolled bars, of dimensions less than those given for heavy rolled products; flats up to and including 150 mm wide (127 mm before 1973).

Hot and cold rolled strip

The product of mills capable of rolling strip up to a maximum of 610 mm (24 in.) in width; (from 1973, 600 mm for hot rolled strip and 500 mm for cold rolled strip).

Sheets coated and uncoated

Includes coiled and cut material.

Tinplate and blackplate

Includes tin-free steel and blackplate (uncoated tinplate milled for sale as such).

All other products

Tyres, wheels, axles and rolled rings; forgings (other than drop forgings), and castings.

Non-ferrous metals

Stocks of non-ferrous metals relate to consumers' stocks, including stocks held by consumers in London Metal Exchange warehouses and other privately held stocks, but exclude all government held stocks. Stocks in transit in the United Kingdom are included throughout.

Copper

Primary copper is copper refined from imported blister. Secondary refined copper includes copper refined from scrap and small quantities of copper smelted and refined from ores but excludes remelted copper. Consumption of refined copper (primary and secondary) is as reported by consumers.

Consumption of copper in scrap is obtained by the difference between copper content of output and consumption of refined copper. Monthly figures of scrap consumption are particularly affected by variations in the amount of work in progress and should be used with caution.

Production of wrought semi-manufactures includes wire, rods, bars, sections, sheet, strip, plate and tubes of copper and copper alloys (gross weight of alloys).

Production of castings includes both copper and copper alloys (gross weight of alloys).

Stocks of refined copper include copper in wire bars.

Aluminium

Primary production includes primary based alloy. Secondary production includes primary content of secondary.

Despatches includes despatches to home customers and exports. Primary despatches includes imported material. Wrought material includes wire, rods, bars, sections, sheet, strip, plate and tubes of aluminium and aluminium alloys.

Lead

For English refined lead the series relate to soft lead refined from secondary and scrap material, and from domestic ores, including that refined by consumers for their own use.

Home consumption of imported primary lead includes pig lead refined from imported bullion and lead imported for processing on toll. Stocks of imported primary lead include base bullion awaiting refining.

The consumption of scrap lead includes re-melted lead and secondary antimonial (hard) lead recovered from scrap, whether for sale or own use, when used by the ultimate consumer.

Tin

Home consumption of tin is as reported by consumers.

Zinc

Slab zinc is unwrought zinc, excluding remelted zinc.

Under 'consumption' other zinc (metal content) includes not only scrap (zinc content of brass and other alloy scrap, re-melted and scrap zinc metal and zinc content of residues) but also partially refined metal not classified as slab zinc and concentrates used directly in manufacturing processes such as galvanizing (but not used in zinc production).

Engineering and allied products

This table presents statistics collected by the Business Statistics Office Quarterly Inquiry system and relates to those products classified to Orders VII-XII of the Standard Industrial Classification 1968.

The statistics given in the table are identical to those already published in *Business Monitors* and, as such, relate to total sales of those products by firms classified to Orders VII-XII of the Standard Industrial Classification 1968 but also include sales of these products by firms classified to other industries.

The statistics are collected from those firms who employ 25 or more employees, except for MLH 336 (Construction and earth-moving equipment), MLH 339.1 (Mining machinery), MLH 363 (Telegraph and telephone apparatus), MLH 365.1 (Gramophone records and tape recordings), MLH 369.2 (Primary and secondary batteries), MLH 380 (Wheeled tractor manufacturing), MLH 399.1 (Metal furniture), MLH 399.3 (Safes, locks, latches and keys), MLH 399.5 (Drop forgings, etc.), MLH 399.8 (Needles, pins, fish hooks and other metal small wares), MLH 399.12 (Miscellaneous metal goods) where the cut-off is 50, MLH 381 (Motor vehicle manufacturing) where the cut-off is 100, MLH 383 (Aerospace equipment) where the cut-off is 200, and for MLH 396 (Jewellery) where the cut-off is 11.

Mechanical, instrument and electrical engineering seasonally adjusted volume index numbers

These tables provide seasonally adjusted volume index numbers of total, home and export sales, orders on hand and new orders (net of cancellations) of the industries classified to Orders VII, VIII and IX of the Standard Industrial Classification 1968, excluding the ordnance and small arms industry and process plant engineering contractors. The basic data for the index numbers of home sales is obtained by subtracting exports from totals and, in a similar manner, data for new orders is derived from current sales and the change in orders on hand. Seasonally adjusted total indices are obtained by combining the seasonally adjusted home and export series.

XI. TEXTILES AND OTHER MANUFACTURES

Indices of production in the textile and clothing industries

These indices provide a general measure of the changes in the volume of production in the textile and clothing industries. For further information regarding the compilation of these indices, see Section VII.

Textiles

Raw wool

The production figures show the weight of British fleece

The index numbers for the combined engineering industries are initially published, together with a commentary, in *Trade and Industry Business Monitor* PM33-36 contains the complete set of tables, together with full notes and an expanded commentary. Quarterly indices of home and export sales, orders on hand and new orders for individual census industries within the engineering sector (excluding the ordnance and small arms and process plant engineering contractors industries), may be found in *Business Monitor* PQ33-36.

The indices are based upon the results of a monthly enquiry which began with information for January 1972. Establishments with 100 or more employees (200 in Order IX) are included and estimates are made for non-respondents. The estimation procedure is described in more detail in two articles; one in *Economic Trends* for April 1972, and the other in *Statistical News* for November 1972.

Improvements to the processing system were made during 1977. An article in *Trade and Industry*, 2 December 1977, introduced the revised series, with a brief note on the reasons for the changes and tables containing the revised series, quarterly back to 1970.

Motor vehicles

The production figures for individual months are totals for periods of four or five weeks.

Passenger cars

Taxis, estate cars and station wagons are included but three-wheeled vehicles are excluded. Chassis delivered as such by motor manufacturers are included.

Commercial motor vehicles other than omnibuses, coaches and trolleybuses

The following types of vehicles are included: lorries and vans, ambulances, wheeled tractors for road haulage and special-type vehicles other than armoured fighting vehicles for the Services. Chassis delivered as such by motor manufacturers are included. Battery-driven electric road vehicles and three-wheeled vans are excluded.

Omnibuses, coaches and trolleybuses

The figures include complete single-deck omnibuses and coaches designed with eight to fifteen seats, excluding the driver's. Chassis fitted with bodies of this type by other manufacturers are excluded. The figures for other omnibuses, coaches and trolleybuses refer to the production of chassis with or without bodies mounted.

wool taken up by the British Wool Marketing Board and the weight of wool produced by fell-mongering from British sheepskins.

Home consumption is the estimated clean weight consumed in combing, woollen spinning and felt making.

Stocks figures show the estimated clean weight of all raw wool in the United Kingdom, excluding farmers' stocks not yet taken on charge by the British Wool Marketing Board. These estimates are subject to revision each year following

the results of the annual census of wool stocks taken at the end of August.

Woollen yarn

Production figures are estimated from the weight of all fibres including man-made fibres, consumed by spinners of yarn on the woollen system. All types of yarn are covered, including hand-knitted and carpet and rug yarns.

Woven wool fabrics

The figures represent the total deliveries of all fabrics woven in the wool textile industry. Woven woollen fabrics are fabrics which are mainly woollen by weight of components; similarly, woven worsted fabrics are fabrics which are mainly worsted by weight of components.

Wool blankets (including mixtures and man-made fibres)

The following factors apply: 1 full size blanket = 4.51 square metres, 1 cot blanket = 1.17 square metres.

Raw cotton

Home consumption figures show the quantities used for cotton spinning.

Stocks figures represent the estimated weight of raw cotton held in Liverpool and Manchester certified warehouses and in Manchester docks, and by spinners in mills and up-country warehouses.

Single yarn spun in the cotton industry

Production is the total conditioned weight of single yarn spun whether for sale or for further manufacture by the same firm. Yarn spun on commission is included.

Cotton yarn excludes waste yarns and mixture yarns.

Cotton waste yarns are yarns spun from cotton waste and from raw cotton on the condenser and other waste spinning systems.

Spun man-made fibre and mixture yarns are spun yarns of rayon, nylon and other man-made fibres, mixture yarns of cotton and man-made fibres and of cotton and wool, and waste yarns other than those wholly of cotton waste and raw cotton.

Woven cloth of cotton and man-made fibres

The figures include cloth made for sale, cloth which is made up into household textiles, etc., by the same firm, and cloth woven on commission. Cloth for industrial uses such as tyre fabric is included as well as cloth for clothing and for household textiles. The figures represent the length in metres of cloth in the loom state before undergoing finishing processes: but cloth intended for splitting is included in length as split (for example, one metre of cloth intended to be split into two pieces is shown as two metres).

Man-made fibre and mixture cloth is cloth made wholly from continuous filament and spun rayon, nylon and other man-made fibres and mixture cloth, containing not less than 85 per cent by weight of man-made continuous filament yarn and yarns spun in the cotton industry, as defined above, or similar yarns spun abroad.

Man-made fibres

Figures relate to output of man-made fibres in commercial production in the United Kingdom.

Jute cloth

Production is estimated from consumption of yarn by jute cloth weavers.

Imported jute goods

The figures relate to total imports of woven fabrics of jute and new sacks and bags of jute as published in *Overseas Trade Statistics*.

Hosiery

The figures relate to sales by establishments employing 25 or more persons. These figures include garments made-up from knitted fabrics of all types by establishments engaged in knitting, except those engaged mainly in warp knitting. The figures exclude garments made-up from knitted fabrics by establishments not engaged in knitting.

Timber

Softwood and hardwood

Pitwood is excluded. Hardwood figures include logs for veneer production.

Deliveries of imported softwood and hardwood are based on imports as recorded in *Overseas Trade Statistics* adjusted for stock changes notified by importers.

Wood chipboard

The figures for wood chipboard (particle board) include all those firms known to be making this product, using in its manufacture wood residues, forest thinnings and synthetic resins.

Plywood

Includes all plywood, blockboard, laminboard and batten-board.

Deliveries are calculated from imports, as recorded in *Overseas Trade Statistics*, adjusted for stock changes notified by importers.

Pitwood

All mining timber specially prepared for use underground in coal mines for propping or shoring or as pit sleepers. It is shown in solid cubic metres (3.57 solid cubic metres equivalent to a Gothenburg standard of round wood and 3.12 solid cubic metres equivalent to a Gothenburg standard of sawnwood).

Round pitwood comprises pitprops, props split, round bars and long pitwood.

Production figures are based on National Coal Board consumption of home-grown timber.

Domestic furniture

Estimated sales of mainly wooden and upholstered domestic furniture by establishments in Great Britain employing 25 or more persons in the manufacture of domestic furniture.

Paper and board, and paper-making materials

In these definitions 'mills' means paper mills or board mills.

Newsprint

Consumption is an estimate and is based on a sample enquiry.

Stock figures show the quantity of newsprint held at mills and by publishers of newspapers and periodicals, and are estimates based on a sample enquiry. From September 1973 importers' stocks are also included.

Building board and other paper and board

Home deliveries are derived by adding imports of other paper and board to home production invoiced out by mills, and deducting exports.

The figures for stocks relate to quantities held by paper-makers only.

Paper-making materials other than woodpulp

Consumption figures relate to consumption by mills. Stock figures show the quantities held at mills.

Paper equivalent

The paper equivalent figures show the approximate amount of paper which it is estimated can be produced from the paper-making materials other than woodpulp shown as consumed or in stock. They are: straw 43 per cent, rags, etc., 66·67 per cent, waste paper 85 per cent, esparto 42 per cent, pulpwood other than round, 37·5 per cent. The paper equivalent of one tonne of round pulpwood is estimated at 0·63 tonnes.

Pulpwood

Pulpwood includes home-grown pulpwood, wood waste, chippings and rejected pitprops.

Woodpulp for paper-making

This consists of imported woodpulp of the following types: Chemical woodpulp, that is, chemical sulphite (unbleached and bleached), chemical sulphate and soda (unbleached, semi-bleached, partly bleached and bleached) and semi-chemical; Mechanical woodpulp including knotter and screenings.

Both are in terms of air dry weight used or held by paper-makers and manufacturers of cellulose wadding. Pulp derived from imported and home produced pulpwood, rejected pitprops and wood waste is excluded.

Rubber

Natural rubber includes balata and gutta percha. (Figures for latices are given as dry rubber content.) The oil content of Masterbatch is included, but the carbon content is excluded.

Figures of rubber consumption are collected from manufacturers of rubber goods and from larger manufacturers of other rubber-using industries, e.g. cables.

Stocks of rubber exclude those held by manufacturers outside the rubber industry. Stocks of natural rubber are those held by importers and larger consumers. Stocks of synthetic rubber and reclaimed rubber are those held by United Kingdom producers and larger consumers. In this paragraph, larger consumer means firms mainly engaged in manufacturing rubber goods, which employ 25 or more persons.

Carbon black

Production includes lamp and vegetable black but excludes acetylene and bone black.

Brushes

Up to the 4th quarter 1975 figures relate to firms employing 11 or more persons, and thereafter to those employing 25 or more persons. Other brushes include painting rollers, artists' brushes, cosmetic and bottle brushes, brushes for machines and other industrial brushes.

Floorcoverings

The figures relate to sales by all firms known to be making these products.

Carpets and rugs

The term Carpets includes carpeting and carpet type rugs. The figures for All types include those for items not shown separately, namely: non-woven carpets, carpeting and carpet type rugs, including needleloom, and rugs other than carpet type rugs.

Floorcoverings of linoleum and plastics materials

Linoleum in sheet and tile form relates to linoleum on a base of paper or paper board and printed and inlaid linoleum on a textile base.

XII. CONSTRUCTION

Value and volume of constructional work and new orders obtained

Figures for the construction industry are based on Order XX of the 1968 Standard Industrial Classification.

The value of output represents the value of construction work done during the quarter in Great Britain and derives from returns made by private contractors and public authorities with their own direct labour forces. The output of building operatives employed by private firms outside the construction industry to carry out work on their own establishments is included if the firms have a separate building department. The series (and the accompanying index of the volume of output) include estimates of the output of small firms and self-employed workers not recorded in the regular quarterly output enquiry.

The new orders statistics are collected from private contractors and analysed by the principal types of construction work involved. The series includes speculative work for eventual sale or lease undertaken on the own initiative of the respondent where no formal contract or order is involved.

Building materials and components

The figures relate to the actual production and stocks as given in the returns submitted by producers.

The stocks figures relate to stocks at works, including sold and unsold. Production figures will relate to calendar months or periods of four or five weeks.

From 1975 figures for building bricks, concrete building

blocks and roofing tiles, manufactured lightweight aggregate and ready-mixed concrete include statistics relating to additional sites.

The effects of this change are estimated to be:
building bricks, production and stocks increased by 1 per cent
concrete building blocks, production increased by an average of 11 per cent
concrete roofing tiles, production and stocks increased by an average of less than 1 per cent;
and from 1976
ready-mixed concrete, production increased by 3 per cent; and from 1977
concrete building blocks, production, deliveries and stocks increased by an average of 5 per cent.

Building bricks

The figures include common, facing and engineering bricks made from shale, sand lime, clay or concrete, but exclude glazed bricks and all types of refractory bricks.

Cement

Production figures show the actual quantity of Portland cement and Portland blast furnace cement ground.

Sand and gravel

The figures embrace land-won and marine dredged production of (a) building sand, including sand used in the manufacture of sand lime bricks and for asphaltiting, (b) concreting sand, (c) gravel (including hoggan used for all purposes).

For 1975 and subsequent years the sand and gravel annual statistics have been derived from the figures collected in the Annual Inquiry Into Mineral Extraction. The quarterly figures continued to be collected under the Statistics of Trade Act on a census basis until the end of 1975.

From 1976 onwards the quarterly inquiry has been conducted on a sample basis. Thus, differences between the sum of the four quarterly inquiries conducted on a sample basis and the Annual Inquiry Into Mineral Extraction, a census, can be attributed to the different methods of collection, and the incompleteness of the sampling frame used in the quarterly inquiry.

Plaster

The figures exclude plaster used in the production of plasterboard.

Gypsum

The figures refer to quantities mined but exclude anhydrite.

Asbestos cement sheets—corrugated

From the 1 January 1980 the inquiry will be conducted on a quarterly basis.

Cast iron baths and other sanitary goods

Includes baths, sanitary cisterns and other sanitary goods.

Ready-mixed concrete

Figures are for production in the United Kingdom and

are derived from a quarterly summary provided by the British Ready-Mixed Concrete Association and separate returns made by non-members of the Association.

Plasterboard

Includes all plasterboard for ceilings, partitions and insulation.

Concrete building blocks

Information refers to dense aggregate, lightweight aggregate and aerated concrete blocks. From July 1979 onwards the inquiry covering those establishments employing fewer than 25 persons has been conducted on a sample basis and the results are grossed up accordingly.

Concrete roofing tiles

From 1 January 1980 the inquiry will be conducted on a quarterly basis. Figures relate to area of roof coverage.

Slate

From 1 January 1980 the inquiry will be conducted on a quarterly basis. The figures cover slate mined or quarried for all purposes including roofing and damp proof courses, architectural and cladding uses. From 1976 the inquiry was extended to include use as powder, granules and fill.

Pitch fibre pipes and conduits

This series was discontinued from December 1978.

Housing

The tables on housing relate to permanent houses and flats built for local authorities, private owners, housing associations and government departments. Temporary houses and mobile homes are excluded.

The figures for local authorities include houses provided by the Commission for the New Towns and new town development corporations and, in Scotland, by the Scottish Special Housing Association and in Northern Ireland, by the Northern Ireland Housing Executive (formerly by the Northern Ireland Housing Trust); these figures exclude those for houses provided by local authorities other than under Housing Act powers (e.g. for parks, welfare, water undertakings), and these are included under the heading Other authorities. Also included under the latter heading are houses provided or authorised by government departments for the families of police, prison staff, the armed forces and certain other services, and those provided by housing associations with the exception of the Scottish Special Housing Association.

Educational building

Major building proposals and certain minor works in England and Wales require the approval of the Department of Education and Science. Building work normally starts about three months after approval is given. In the series for value of projects started, deductions are made where approved expenditure is not fully taken up.

In England and Wales the value figures refer to the cost approved on tender, or the final cost, whichever is the figure available. When a revised value figure for a project becomes known, the change is incorporated in the cumulative total by adjusting the figures for the latest period, the figures for earlier periods (for example, the period in which the project was originally approved) remaining unaltered. The Scottish figures of contracts under construction and completed are based on tender costs, except in the case of those relating to contracts completed from January 1954 to December 1959, both inclusive, where they have been adjusted in respect of any differences between tender and final costs as the latter became known.

The figures include the value of projects for which specific approval is not required, while those for Scotland include provision for fees, furniture and equipment.

Both tables exclude building work at independent schools, universities, and certain other educational institutions such as theological colleges.

The method of calculation of the number of places provided differs in England and Wales, and Scotland. In England and Wales the figures refer to the number of pupils for which school accommodation is designed. In Scotland the figures refer to the sum of the approved capacities of the teaching rooms whether classrooms or practical rooms. For primary schools this is assumed to be the number of pupils for whom the new accommodation is designed; for secondary schools and further education colleges however, this sum normally, because of the need for flexibility for time-tabling, exceeds the number of pupils in many cases by as much as 50 per cent.

XIII. TRANSPORT

Road vehicles in Great Britain

The figures for months up to September 1974 are compiled from information received by the Department of the Environment from all registration and licensing authorities (county, county borough and borough councils in Great Britain which administer the Vehicles (Excise) Act 1971, (and previous similar Acts)). The figures from October 1974 onwards are obtained from Driver and Vehicle Licensing Directorate at Swansea which took over responsibility for new registrations from that date. The statistics are thus a by-product of administration and the classes shown correspond in the main to taxation classes. The figures include all vehicles which pay tax and certain vehicles which are exempt from the payment of tax. Most of the latter carry a form of licence known as a 'nil' licence. The figures exclude vehicles registered by the armed forces or as personal or direct export and trade licences issued to manufacturers and repairers of and dealers in, motor vehicles.

Exempt vehicles fall into two groups:

Vehicles which are designed and used for particular purposes
Some vehicles in this group (such as invalid vehicles, snow ploughs and certain road construction vehicles) are registered when they are first brought into use and, although they pay no tax, they carry a 'nil' licence. Other vehicles of this type (*viz.* fire appliances, ambulances and road rollers) do not carry a licence disc.

Vehicles which make little or no use of public roads

Vehicles which make little use of public roads (that is, travel not more than six miles per week while passing between different parts of the owner's land) are registered but carry no licence.

Vehicles which are never used on public roads (that is, on roads repairable at the public expense) are not required to bear a licence and are registered only if the roads they use (e.g. certain industrial estates) are accessible to the public. These vehicles do not appear in the statistics of current licences.

Vehicles owned by government authorities

Vehicles belonging to the armed forces operate under a special registration and licensing system. Such vehicles are not included in either table.

All other vehicles owned by government departments are

registered but pay no tax. From 1951, these vehicles have operated under Certificates of Crown Ownership and are shown separately in statistics of current licences, but are combined with vehicles of their appropriate type in statistics of new registrations.

The following points should also be noted:

- (a) The column headed Cars includes some light vans and other vehicles which, because they do not fall into any other classification, are taxed as Private on the same basis as cars.
- (b) The column headed Buses, coaches and taxis, refers to vehicles that are taxed as Hackneys, and includes trams and private hire cars.
- (c) The columns for new registrations headed Tractors and engines, include haulage tractors, agricultural tractors and other agricultural machinery which are used for certain defined purposes connected with agriculture and forestry; trench diggers, excavators and mobile cranes which are used on roads only for proceeding to and from working sites; and mowing machines. In the current licences table haulage tractors are included with Goods vehicles.

Method of collecting statistics of licences current

For the years 1972-1974 the figures are based on a sample of one-tenth or one-twentieth of all vehicles registered by most authorities; a complete census was carried out by those authorities with fewer than 10,000 registered vehicles. A vehicle is included if it had a licence current at any time during the third quarter of the year.

From 1974 the census method underlying the count of stock of licensed vehicles has been changing as vehicle records have gradually been transferred from local taxation offices to the Driver and Vehicle Licensing Centre (DVLC). Consequently, stock from 1974 to 1978 are not comparable. In 1975 and 1976 the figures were derived from the records held by local licensing authorities and from the records held by DVLC. At DVLC, only those vehicles licensed at 30 September were included. No census results are available for 1971. The 1978 figure was obtained from a full count at DVLC on 30 June 1978.

The series will eventually be based on the count of licensed vehicle stock at 31 December.

The end of month figures are estimates based on taxation returns. All figures included in this section are comparable.

Road traffic and inland goods transport in Great Britain

The index of vehicle kilometres shows traffic trends by class of vehicle on the roads in Great Britain. The monthly figures relate to calendar months and therefore include the effects of variations in the number of weekdays and weekends and of the incidence of public holidays. The basis is a regular series of traffic counts at a randomly selected sample of points on the road system. Automatic axle counters at 50 sites provide a continuous record of trends in total motor traffic and a system of manual counts each month taken from a sample of 232 sites, provides the basis for estimates of individual vehicle classes, including bicycles. Benchmark estimates were obtained from short-period counts at 1,300 sites in 1966 and 1973.

The analysis by vehicle type is based upon roadside observation; thus vehicles are classified in accordance with their general appearance.

The index of tonne-kilometres of road goods transport is estimated from a continuing sample survey of goods vehicles, subject to Operator Licensing, started in 1970, and a periodic survey of goods vehicles not subject to Operator Licensing, last carried out in 1976. Quarterly index numbers for road transport are obtained by dividing each quarter's figure of tonne-kilometres performed by road by the quarterly average in 1973. The quarterly figures relate to 13-week periods and not to three calendar months, so no adjustment for differences in the length of calendar months is necessary. Annual index numbers are obtained in a similar way by dividing the estimated annual road tonne-kilometres by the corresponding figure in 1973.

Road casualties in Great Britain

These figures are compiled from information received by the Department of Transport and the Scottish Development Department from police forces throughout Great Britain. Only those casualties from road accidents occurring on the public highway, (including footpaths) in which a vehicle was concerned, and which were reported to the police are included.

Casualties are classified according to the degree of injury sustained. The degrees of injury are defined as follows:

Killed: Died within 30 days of the accident.

Serious injury: An injury for which a person is detained in hospital as an inpatient, either immediately or later; or any of the following injuries whether or not he is detained in hospital: fracture, concussion, internal injury, crushing, severe cuts and lacerations, severe general shock requiring hospital treatment.

Slight injury: An injury of a minor character such as a sprain or bruise, or a cut or laceration not judged to be severe. Cases of shock are only included if they appear to need roadside attention.

Road passenger transport

The quarterly figures for buses and coaches are based on a return from public sector operators of more than 24 vehicles. These account for 90 per cent of passenger journeys and 80 per cent of passenger receipts. The figures include estimates for the smaller public operators and private operators assuming a similar seasonal pattern.

Annual figures are based on a return from all operators. Figures for earlier years have been revised to take into account changes of ownership between the various types of operator.

Indices of stage bus service fares

Information required for the calculation of the index of stage service fares is obtained through the Traffic Commissioners and is based on a panel of large undertakings which account for over 90 per cent of all stage carriage operations. When an operator wishes to change his fares he applies to the Traffic Commissioners for a variation in his Road Service Licences.

The value of an index at the end of a quarter is derived from multiplying the value of the index at the end of the preceding quarter by a ratio. This ratio is the level of annual receipts accruing to members of the panel from fare rises awarded in the quarter (on the assumption of no resultant change in the level and volume of passengers carried) to the level of annual receipts expected if there had been no fare change (and the level and volume of passengers carried had also remained constant). For those undertakings on the panel who did not experience a fares increase in the quarter, which is usually the case for the majority of undertakings since, in general, bus companies only raise their fares once a year, the figure of expected annual receipts accruing without a fare rise in that quarter is used in both numerator and denominator of the ratio.

From 1977, the concessionary fare payments to operators from local authorities on behalf of children, old age pensioners, the blind and the disabled, have been excluded from the passenger receipts figures so that the change in the index over a quarter now measures the change in the average fare as paid directly by the passenger.

Passenger receipts

British Rail

Passenger receipts are the receipts from passenger fares of all kinds. Charges for platform tickets, seat reservations, left luggage, etc., which are classed as miscellaneous receipts, are excluded.

London Transport

Traffic receipts are derived entirely from passenger traffic.

Passenger journeys

The figures of passenger journeys show the number of journeys originating on the British Rail and London Transport systems. Passenger journeys commencing on one system and terminating on the other are included in the figures for both British Rail and London Transport.

Children's tickets are counted as whole journeys. Return tickets are counted as two journeys. The numbers of journeys made by season ticket holders on British Rail are estimated using a rate of 540 journeys per annum, except for journeys made on annual season tickets from January 1975 onwards which are estimated using a rate of 480 journeys per annum. The numbers of journeys made

with all types of season ticket on London Transport are estimated using a rate of 600 journeys per annum. Government department traffic (for example, naval and military) and other reduced fare traffic are included.

Freight traffic

British Rail

The figures of traffic originating show the tonnes of revenue-earning traffic conveyed by British Rail at freight train rates. Cross-channel traffic invoiced to interior stations is treated as originating at the port of entry. Materials for British Rail conveyed without public charge, whether on revenue-earning or departmental (including ballast) trains, are excluded.

Monthly figures for net tonne-kilometres are derived by interpolating quarterly figures.

Coal and coke include patent fuels, slack, smudge, cannel and coal cinders for fuel.

Iron and steel comprises crude and semi-finished steel; finished steel; iron ore; pig iron; scrap iron and steel; limestone, dolomite and lime for iron and steel works; iron castings.

Inland waterways

The figures of traffic originating show the total freight tonnage conveyed over the inland waterways controlled by British Waterways Board.

Net tonne-kilometres are calculated by multiplying the tonnes of traffic by the distance conveyed over the Board's waterways.

Civil aviation

The statistics cover the scheduled services of British Airways and UK private companies.

Scheduled services are those shown in published timetables, including supplementary flights.

Scheduled services operated temporarily under charter by another airline on behalf of a UK airline are included.

The figures refer only to revenue kilometres and traffic (kilometres and traffic for which renumeration is received or sought) on scheduled services and therefore, do not include such items as training, positioning and test flights and non-paying passengers and cargo.

In compiling kilometres statistics, distances have been calculated on the Great Circle distance in kilometres between two traffic stops. If a technical stop intervenes the distance is the sum of the two stages caused by the technical stop.

Domestic services

Services flown entirely within the United Kingdom, including the Isle of Man, the Channel Islands, and Northern Ireland.

International services

Services flown wholly outside the United Kingdom, or

wholly or partly between the United Kingdom and places outside.

Passengers

The number of passengers carried is based on the number of seats occupied by fare-paying passengers. Children at half-fare are included but not children at 10 per cent fare (children under two years of age, not occupying a separate seat). Passengers travelling over more than one stage with through tickets are counted once only but passengers with return tickets are counted in both directions.

Cargo

Cargo means any property carried on an aircraft including excess luggage, mail, diplomatic bags and weight of vehicles carried on vehicle ferry services.

Merchant vessels of 500 gross tons and over registered in the United Kingdom

Passenger vessels

Any vessel permitted to carry more than 12 passengers.

Cargo liners

Vessels which carry dry cargo over a definite route on fixed schedules, other than container ships, but including roll-on/roll-off vessels.

Container ships

Fully cellular container ships.

Tramps

Dry cargo vessels not used for providing a regular service, including bulk carriers of under 6,000 g.r.t. and general purpose vessels (usually multi-deck).

Bulk carriers

Dry cargo, ore/oil and ore/bulk/oil carriers of 6,000 g.r.t. and over.

Tankers

Oil, gas, chemical and other specialised tankers.

Miscellaneous craft

Government owned vessels, offshore supply vessels, non-cargo and/or passenger carrying sea-going vessels, sailing vessels, tugs, fishing vessels, dredgers, river and other non-sea-going vessels.

Gross tonnage

Gross tonnage is the total volume of all the enclosed spaces of a vessel. The unit of measurement is a ton of 100 cubic feet.

Deadweight tonnage

Deadweight tonnage is the total weight in tons of 2,240 lb. that a ship can legally carry, that is the total weight of cargo, bunkers, stores and crew.

XIV. RETAILING AND CATERING

Retail sales and stocks

Sales

The statistics relate to the total sales of different kinds of shop, that is, they are on a 'kind of business' basis. They are based on the results of the Census of Distribution for 1971, and expressed with 1971 = 100. This rebased series was introduced in an article in *Trade and Industry* on 10 February 1978. An article which appeared in *Trade and Industry* on 5 October 1972 outlined the method of computation of the retail sales statistics. Descriptions of the volume series were given in the issue of the *Board of Trade Journal* of 10 November 1961 and in *Economic Trends* of May 1962. Apart from some changes, described in the October 1972 article referred to above, the method of seasonal adjustment is essentially the same as that described in the *Board of Trade Journal* of 6 July 1962.

The statistics cover the whole field of retail trade in Great Britain. All forms of organisation—Independent retailers, multiple retailers (chains with ten or more branches), co-operative societies, department stores and mail order houses—are represented. Independent retailers report sales on a shop basis in general. Multiple retailers report the sales of the aggregation of their branches. Co-operative societies report sales on a department basis, the departments being classified to the nearest appropriate kind of business. Department stores report sales on a shop basis and are classified as whole units to a single kind of business. Multiple retailers and co-operative societies report sales of all shops open in the reporting period so that in respect of these two types of retailer the statistics make some allowance for changes in the number of shops, but it is not generally possible to make similar allowance for 'births' or 'deaths' among the independent retailers and department stores.

The statistics are based on voluntary returns from a substantial sample of contributors spread over the different kinds of business and the different forms of organisation and chosen to be representative, as far as possible, of the different sizes of retailers and the different parts of the country. The panel of independent retailers comprises about 3,500 contributors, while the large-scale retailers who contribute account for nearly 80 per cent of the total sales of these retailers. Many of the large-scale retailers were recruited by the co-operating retail trade associations—the Co-operative Union, the Drapers' Chamber of Trade, the Multiple Shops Federation and the Retail Distributors' Association. The results are compiled so as to give due weight, as far as possible, to different sizes of contributor, different regions (co-operative societies and department stores only), forms of organisation and kinds of business. In this, and in the initial selection of the panel of contributors, the results of the Censuses of Distribution are used.

The statistics relate to the total sales of shops, inclusive of VAT (before the introduction of VAT on 1 April 1973, sales were inclusive of purchase tax), and inclusive of receipts from the sale of meals, from services to customers (for example, repairs) and rentals received for goods (for example, radio and television sets). Hire purchase and other instalment credit sales are valued at the credit price of the goods (that is including deposits and, where the credit is

provided by the shop, credit charges). Figures of credit sales relate only to the period during which the transactions took place, i.e. cash received from credit sales in previous periods is not included. Sales by chemists exclude receipts under the National Health Service. The statistics, being on a kind of business, not a commodity basis, do not cover sales of goods by establishments not classified to the kinds of business covered in the statistics, for example, they do not cover the sale of cigarettes and tobacco in public houses or the sale of goods in restaurants and cafés.

The basic estimates of the value of sales each month are constructed by comparison with the corresponding month of the preceding year, 'chaining' back to the base year. Descriptions of the methods used to obtain the seasonally adjusted value and volume estimates are given in articles referred to above.

The latest summary statistics are published each month in *Trade and Industry*; detailed unadjusted statistics appear each month in the Business Monitor series.

Stocks

The index numbers of retail stocks are derived in broadly the same way as the retail sales indices (see above). They relate to the same coverage of retail trade as the sales statistics and are constructed on the same 'kind of business' basis. The reporting sample is confined largely to multiple retailers, co-operative societies, department stores, general mail order houses and large independent clothing and furniture shops, and accounts for about a half of the stocks held by these retailers and about a quarter of total retail stocks. The statistics, which are based on the results of the Census of Distribution for 1966, take into account results of the Census of Distribution for 1971 and of the annual inquiries into retail distribution for 1972–75. An article describing the method of computation of the statistics appeared in *Trade and Industry* for 20 September 1973. From 1 April 1973, stocks are valued exclusive of VAT. Before this date the figures had been valued inclusive of purchase tax.

Catering turnover

Estimates of changes in the turnover of the catering trades, based on returns sent in by a selection of organisations and establishments in these trades, are calculated in much the same way as the estimates of retail trade described above, but on a quarterly basis. The results are compiled so as to give due weight, as far as possible, to different sizes of contributors, forms of organisation and kinds of business, using for this purpose the results of an inquiry into the catering trades in respect of 1969. The results are rebased on 1969 = 100. Since 1 April 1973 the estimates of turnover have been inclusive of VAT. Summary statistics are published in *Trade and Industry*; detailed statistics are published in the Business Monitor series.

XV. EXTERNAL TRADE

Visible trade on an *Overseas Trade Statistics* basis

The statistics of overseas trade are compiled from the declarations made to HM Customs and Excise by importers and exporters or their agents, and which are subject to verification by Customs Officials. They comprise all merchandise imported into or exported from the United Kingdom, with the exception of the items mentioned below, (Coverage of statistics), whether or not the imports are intended at the time of importation for use in the United Kingdom or for re-export, and whether or not the exports are from Customs bonded warehouses. The statistics of imports, therefore, include British goods re-imported and goods imported for process or for incorporation with other goods and subsequent re-exportation. This system is known as the 'general' system of recording trade statistics. Re-exports are not separately distinguished and are included throughout with exports of UK produce.

Definition of the United Kingdom

For the purposes of trade statistics 'United Kingdom' is defined as Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and the Continental Shelf (United Kingdom part). The figures include the trade of the Channel Islands and the Continental Shelf (UK part) with overseas countries other than the United Kingdom, but exclude trade between the different parts of the United Kingdom.

Commodity classification

Since January 1978 the grouping of commodities in the *Monthly Digest* is based on the Standard International Trade Classification (Revision 2) of the United Nations. The headings of the SITC (Rev. 2) correspond directly with those of the revised Customs Co-operation Council Nomenclature (CCCN).

Changes in the coverage

Changes in the coverage of the *Overseas Trade Statistics* are made from time to time, but as far as possible all earlier figures in the *Digest* are adjusted to conform to the coverage and definitions in operation in the latest period shown.

In some cases it is not possible to adjust figures for all periods to a comparable basis, and the following discontinuities should be noted. Since 1970 low value imports and exports, other than by parcel post and other than imports subject to excise duty of an individual value less than £200, have been aggregated under SITC(R2) subgroup 931.0 as 'special transactions and commodities not classified according to kind'. This trade, accounting for a very small proportion of total trade, is not analysed either by commodity or country so that figures for individual commodity and country headings are deficient to the extent of these amounts.

From January 1971 certain imports and exports used solely for servicing Continental Shelf installations have not been classified by commodity but have been aggregated under SITC(R) subgroup 931.01. Since January 1978 they have been similarly aggregated under SITC (Rev. 2), item 931.0 as 'special transactions and commodities not classified according to kind'. Also, with effect from January 1978

figures for trade in floating and submersible drilling platforms for Continental Shelf oil and gas operations, previously under code number 718.43, are included under SITC (R2) 793.82.

Coverage of the statistics

The following classes of goods are excluded from *Overseas Trade Statistics*:

- (a) sea-going vessels and aircraft sold or purchased whilst abroad, details of which therefore have not been notified to Customs;
- (b) banknotes after issue into circulation, being legal tender in any country; issued stock, share and bond certificates and similar titles of ownership;
- (c) emergency aid for disaster areas; used clothing and household goods exported by charitable organisations;
- (d) goods benefitting from diplomatic and consular or similar immunity; gifts to a foreign head of state or to members of a foreign government or parliament; British government owned stores exported for British government use overseas or returned from such use;
- (e) stores and equipment imported or exported by Commonwealth and foreign government forces in the United Kingdom solely for their own use (including American Post Exchange Stores), and such stores and equipment re-exported;
- (f) stores and equipment exported for use by United Kingdom forces or returned from such use. (Stores shipped abroad for NAAFI, the YMCA and similar organisations are, however, included);
- (g) fish and other natural produce of the sea on first landing in the United Kingdom, after being taken by vessels of British registration;
- (h) stores and fuel as follows:
 - (i) on board ships, aircraft and vehicles and intended for consumption en route,
 - (ii) ships stores, unless ex-warehouse or subject to licence, exported as cargo in transit to specific vessels lying overseas. (These were included in the figures up to the end of 1978);
- (i) personal and household effects; legacies;
- (j) certain atomic energy materials imported or exported by United Kingdom Atomic Energy Authority or its agents, including uranium ore and concentrates;
- (k) temporary importations or exportations and subsequent return of the following:
 - (i) goods, including works of art, intended for fairs and exhibitions,
 - (ii) merry-go-rounds and other fairground attractions,
 - (iii) professional effects (e.g. survey, film and radio equipment, tools of trade, theatrical effects, musical instruments and the like),
 - (iv) goods for technical examination and standards testing,

- (v) commercial samples and advertising films,
- (vi) means of transport, containers and equipment connected with transport,
- (vii) packaging; and
- (f) the following goods provided they are not the subject of a commercial transaction:
 - (i) printed advertising material, instructions for use, price lists,
 - (ii) ballast, dunnage, oil sludge and tank cleanings, waste for dumping at sea, and other goods which have become unusable or which cannot be used for industrial purposes.

Parcel post

Imports and exports by parcel post are, generally speaking, included in Section 9 under the heading Postal packages not classified according to kind (SITC(R2) Item 911.0). Consequently the figures for the descriptions of particular goods in the tables are deficient to the extent of the volume of this parcel post trade.

The figures of imports and exports by parcel post referred to relate to goods sent through the Post Office as parcel post; as a general rule they do not include packets sent by letter post or by printed paper post.

The value of parcel post trade is estimated by applying average values of parcels to the number of parcels. These average values are derived from occasional sample surveys extrapolated by appropriate unit value indices.

Period covered by the monthly *Overseas Trade Statistics*

In general, the figures show the trade as declared by importers and exporters on the completed documents received in the Statistical Office of HM Customs and Excise at Southend during a month. With certain exceptions, traders are allowed a short period of grace before documents have to be presented at the ports.

Registered exporters are allowed fourteen days after the shipment of the goods within which to deliver their documents. Moreover the processing of export documents begins shortly before the end of the calendar month. Thus the export statistics compiled for a month do not correspond with goods shipped in the calendar month.

Importers are usually required to present their documents before they can obtain Customs clearance and remove the goods. Further, the import figures include those recorded in documents lodged at the ports in the month, which reach Southend up to the third working day after the end of the month. The import figures therefore correspond fairly closely to goods actually imported during the calendar month.

Quantities and values

Both quantities and values are based on the declarations of importers and exporters or their agents and may be verified by Customs officials. Information about the value for Customs purposes is given in paragraph 13 of Part 3A of the Tariff and Overseas Trade Classification and for exports under paragraph 5 (Box 29) of Part 3B (vi).

(a) Imports

For goods subject to duty *ad valorem* the statistical value is the same as the value for Customs purposes. This value is the price which the goods would fetch, at the time the Customs accept the entry for home use, on a sale in the open market between a buyer and a seller independent of each other, giving delivery to the buyer at the place of introduction into the customs territory of the EEC, the seller bearing freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery, except duties or taxes chargeable in the customs territory of the EEC. If, exceptionally, in the course of trade within the community an *ad valorem* duty charge arises, the value is declared on the basis of a delivery to the buyer at the port or place of importation into the United Kingdom. When warehoused goods are entered for customs duty payment the value may be different from the value at the time of entry for warehousing at importation.

Where an amount in foreign currency is converted to its sterling equivalent, the rate of exchange used has been that appropriate at the time of lodgment of the Customs entry.

For all other goods, i.e. goods free or exempted from duty and goods subject to a specific duty, the statistical value is determined in relation to the point at which the goods enter the United Kingdom. This means that the value includes freight, insurance, commission and all other costs, charges and expenses incidental to the sale and delivery of the goods to the port or place of importation into the United Kingdom with the exception of any duty or tax chargeable in the United Kingdom.

(b) Exports

The values of exports are on an f.o.b. (free on board) basis *viz.* the cost of the goods to the purchaser abroad, including packing, inland and coastal transport in the United Kingdom, dock dues, loading charges, and all other costs, profits, charges and expenses (for example, insurance and commission) accruing up to the point where the goods are deposited on board the exporting vessel or aircraft or at the land boundary of Northern Ireland.

Transit trade

Goods in transit through the United Kingdom are not included in the statistics. Goods entered for transhipment may be either dutiable or free of duty, and either for removal from a vessel in one port and conveyance to another port for re-shipment abroad, or for removal under the same conditions from one vessel to another in the same port.

Goods transhipped under bond are to be distinguished from goods which are entered for storage in bonded warehouses and are afterwards exported therefrom, these latter goods being included in the figures of imports and exports under the 'general' system of recording.

Seasonally adjusted figures of UK trade

An explanation of the methods used to compute the seasonally adjusted figures was given in *Trade and Industry* 17 February 1971.

Trade by countries and areas

Particulars of imports are given according to the country from which the goods are consigned; this is the country from which the goods were originally despatched to the United Kingdom with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country from which goods are consigned is not necessarily the country of shipment, origin or manufacture.

Particulars of exports are given according to the country of destination; this is the country which at the time of exportation is the final country to which the goods are being despatched from the United Kingdom. Exports of newly built sea-going ships are normally classified as despatched to the country of registration.

Goods consigned direct to the United Kingdom from fishing vessels other than those of UK registration are classified as consigned from the country in which the vessel is registered.

Grouping of countries

The designations of countries and territories against which figures of overseas trade are presented are selected for statistical purposes and do not necessarily correspond to customs areas, administrative areas or political units. The areas used are defined as follows:

- (i) *EEC*, comprising France, Belgium and Luxembourg, Netherlands, Federal Republic of Germany, Italy, Irish Republic and Denmark.
- (ii) *Rest of Western Europe*, comprising Iceland, Faroe Islands, Norway, Sweden, Finland, Switzerland, Austria, Portugal, Spain, Andorra, Gibraltar, Vatican City, Malta, Yugoslavia, Greece and Turkey.
- (iii) *North America*, comprising Greenland, Canada, United States of America, Puerto Rico and St. Pierre and Miquelon.
- (iv) *Other developed countries*, comprising Australia, New Zealand, South Africa and Japan.
- (v) *Oil exporting countries*, comprising Algeria, Libya, Nigeria, Gabon, Saudi Arabia, Kuwait, Bahrain, Qatar, Abu Dhabi, Sharjah, etc., Oman, Iraq, Iran, Brunei, Indonesia, Dubai, Trinidad and Tobago, Venezuela and Ecuador.
- (vi) *Centrally planned economies*, comprising Soviet Union, German Democratic Republic, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Albania, Vietnam, Mongolia, China and North Korea.
- (vii) *Other developing countries*, comprising Mauritania, Mali, Niger, Chad, Senegal, Gambia, Cape Verde, Guinea-Bissau, Sao Tome and Principe, Guinea, Sierra Leone, Liberia, Ivory Coast, Upper Volta, Ghana, Togo, Benin, Nigeria, Cameroon, Equatorial Guinea, Gabon, Congo, Central African Empire, Zaire, Rwanda, Burundi, Ethiopia, Djibouti, Somalia, Uganda, Kenya, Tanzania, Angola, Zambia, Malawi, Rhodesia, Mozambique, Botswana, Lesotho, Swaziland, Namibia, St. Helena, Seychelles, British Indian Ocean Territory, Concoros, Mayotte, Madagascar, Mauritius, Reunion, Afghanistan, Pakistan, India, Nepal, Bhutan, Sri Lanka, Bangladesh, Burma, Thailand, Malaysia, Singapore, Laos, Democratic Kampuchia, Taiwan, Macao, Hong Kong, South Korea,

Philippines, Maldives, Brunei, Indonesia, Australian Oceania, Papua New Guinea, Nauru, United States Oceania, New Caledonia, Wallis and Futuna Islands, Niue and Tokelau Islands, Fiji, New Hebrides, Tonga, Western Samoa, Cook Islands, Kiribati; Pitcairn, Solomon Islands, Tuvalu, French Polynesia, Bermuda, Bahamas, Turks and Caicos Islands, Cayman Islands, Jamaica, Antigua, Montserrat, British Virgin Islands, St. Christopher, (St. Kitts)-Nevis-Anguilla, US Virgin Islands, Dominica, St. Lucia, St. Vincent, Grenada, Barbados, Trinidad and Tobago, Guadeloupe, Martinique, Aruba, Curacao, Belize, Guyana, Surinam, French Guiana, Falkland Islands and Polar Regions.

Import and export volume index numbers

The volume index numbers are designed to show movements in our imports and exports after eliminating variations due to price changes. They are prepared by estimating what the value of the goods imported (or exported) in the current period would have been if their prices had been those of the base period. This estimate is then divided by the value of goods actually imported or exported in the base year; the indices thus give a measure of changes in the value of imports and exports at constant prices. An article in the September 1979 edition of *Economic Trends* explains the methods used in calculating the 1975-based series.

Import and export unit value index numbers

These index numbers are intended as guides to changes in the prices of imports and exports. They are not called price indices however, because they are calculated using unit values for each of a selection of commodities in the *Overseas Trade Statistics* instead of true price quotations. The unit values are obtained by dividing the value of trade recorded in the month for each heading by a corresponding quantity (numbers, tonnes, etc.). As far as possible only those headings which cover a sufficiently homogeneous group of commodities for their unit values to move in much the same way as true prices are used in the calculation. The headings are chosen to give as wide and representative a coverage as possible; about 900 unit values are calculated for imports and exports, covering in the 1975-based series about 70 per cent and 60 per cent of the value of imports and exports respectively. The indices are constructed by weighting the growth in unit values by the value of trade in the base year. An article in the September 1979 edition of *Economic Trends* explains the methods used in calculating the 1975-based series.

Visible trade on a balance of payments basis

The statistics of the value of imports and exports on a balance of payments basis are obtained by making various adjustments to the value of trade recorded in *Overseas Trade Statistics*. These adjustments relate to either the coverage of statistics or the valuation of items which are recorded. *Overseas Trade Statistics* includes, with a few exceptions, all goods entering or leaving the country whether or not their ownership changes and coverage adjustments are necessary to remove items where there is no change of ownership (for example, goods imported or exported for processing or repair) and to bring in items which are not included in *Overseas Trade Statistics* (e.g. new ships built and delivered abroad direct to UK owners). The

main valuation adjustment is made to imports, which are valued c.i.f. in *Overseas Trade Statistics*, i.e. their value includes the freight and insurance costs of bringing them to this country; for balance of payments purposes these costs are deducted from the value of imports since freight and insurance payments to foreign companies are included in invisible items in the balance of payments and those to UK companies are regarded as domestic transactions. Other adjustments include for exports the addition of an allowance for the net under-recording of exports when necessary; and for both imports and exports, adjustments to exclude Forces parcels. These adjustments are described in greater detail in an article in *Trade and Industry* of 4 November 1970 and in the annual Pink Books *United Kingdom Balance of Payments*. The Pink Book also gives a more detailed breakdown of the value of the adjustments.

The import and export unit value and volume index numbers for commodity groups are calculated from the data recorded in *Overseas Trade Statistics*. In order to provide index numbers comparable with the statistics of the value of trade on a balance of payments basis index numbers are also constructed for total imports and exports on a balance of payments basis. Valuation adjustments are applied to the unit value indices and coverage adjustments are made to the volume indices.

The terms of trade series is derived by dividing the total export unit value index by the total import unit value index, both being on a balance of payments basis.

Import penetration and export sales ratio for the products manufacturing industry

The measures of import penetration and export sales ratios comprise the following:

- Ratio 1 Imports/Home demand
- Ratio 2 Imports/Home demand plus exports
- Ratio 3 Exports/Manufacturers' sales
- Ratio 4 Exports/Manufacturers' sales plus imports

The ratios, based on current price data and available for more than one hundred sectors of manufacturing industry, were introduced in the August 1977 issue of *Economic Trends*. A number of conceptual and measurement problems arise in their construction and affect their interpretation. A full description of these was given in the *Economic Trends* article. The ratios are better suited to indicating changes in performance over time than to assessing absolute levels (The figures are not suitable for making comparisons of the performances of different industries or for comparing the performance of UK industry with that of another country.)

To an extent the four ratios complement each other. However, one usually wants to present only one ratio to illustrate either import penetration or export performance and the question arises as to which is more appropriate in particular circumstances. A simple rule is that where the questions posed are 'what proportion of the UK market for a particular product is taken by imports?' or 'what proportion of their output or sales do manufacturers ex-

port?', then Ratios 1 and 3 are appropriate. Where, however, the question is directed at the import/export performance of an industry then it is more relevant to take into account both imports and exports into the calculation of each ratio and to use Ratios 2 and 4.

Nevertheless, given these general guidelines, it is important to be aware of the advantages and defects of the different measures. The simpler measures (1 and 3) are in particular subject to distortion in that for several industries there is a significant volume of imports for re-export which, because it is not possible to distinguish them from imports for UK consumption, exaggerate both import penetration and the percentage of manufacturers' sales exported. The inclusion in the trade figures of goods exported and subsequently re-imported has a similarly distorting effect. Another disadvantage of the pair of simple ratios is that they cannot, in theory, be directly related to each other when trying to assess whether import penetration has risen faster than export performance. This is often a consideration in longer term studies since both import penetration and export shares have tended to increase with the growth in world trade.

Ratios 2 and 4 suffer less from the disadvantage of the inclusion of re-exports and re-imports because trade in the other direction is included in the denominator. Furthermore since they have an identical denominator (home demand plus exports - manufacturers' sales plus imports) absolute differences between different years can be compared directly. Thus Ratio 4 less ratio 2 which represents the crude trade gap for the particular sector proportionate to its size, can be tracked for a number of years. This comparison is one which is relevant to assessing an industry's overseas trade performance over time, particularly when information is available only for the United Kingdom.

It is important to note that, unlike the other tables on external trade, these figures are based on the Standard Industrial Classification (1968). Further, they do not relate to the total sales, imports and exports of an industry but to the sales, imports and exports of the goods that are principal products of the industry. Thus the sales of the food and drink industry exclude goods produced by this industry but principally produced elsewhere and include goods produced by other industries but principally produced in the food and drink industry.

For certain products (e.g. tobacco) one or more of the underlying values; manufacturers' sales, imports and exports is not available, or not comparable with the others. In these circumstances the ratios are not meaningful and the products are excluded from the analysis.

The latest ratios for the full detail within manufacturing are shown in *Business Monitor* MQ 12 published quarterly by HMSO. The underlying series for imports and exports classified to the Standard Industrial Classification are published quarterly in *Business Monitor* MQ 10 and sales of the principal products of most manufacturing industries can be derived from figures in the PQ series of *Business Monitors*.

XVI. OVERSEAS FINANCE

Balance of payments

The items in this table are more fully defined in *United Kingdom Balance of Payments* 1979 edition (the Pink Book).

Current account

Exports f.o.b., and Imports f.o.b.

The *Overseas Trade Statistics of the United Kingdom* are the basis of the balance of payments figures, but certain

adjustments are made in respect of valuation and coverage. The principal adjustment is the deduction of freight and insurance from the *Trade Statistics* figures of imports.

Visible balance

Exports f.o.b. less imports f.o.b.

Invisible balance

The net total of all invisible transactions, comprising:

- UK government payments and receipts in respect of services and transfers;
- sea transport and civil aviation;
- travel;
- financial services:
 - net service earnings of financial institutions, including insurance, banking (excluding interest earnings), commodity trading, merchanting, brokerage and solicitors;
 - other services (including commissions, advertising, royalties, construction work overseas, education and overseas governments' expenditure in the United Kingdom);
 - interest, profits and dividends; and
 - private transfers.

Investment and other capital transactions

Official long-term capital

This consists of inter-government loans and other UK official long-term capital (net).

Inter-government loans cover drawings and repayments of loans between the UK government and overseas governments.

Other official long-term capital includes capital subscriptions to international lending bodies, other than the IMF; net loans and investments overseas by the Commonwealth Development Corporation; repayments (as guarantor) to the IBRD of loans to Rhodesia; repayment in 1971 of a loan from the Deutsche Bundesbank; and capital contributions to the reserves of the European Coal and Steel Community and to the European Investment Bank.

Overseas investment in UK public sector

This consists of transactions with overseas residents in British government and government guaranteed stocks (excluding those with central monetary institutions and international organisations), British government foreign currency bonds (offered to overseas official holders of sterling), local authority securities and mortgages, public corporations' and local authorities' net issues abroad and their borrowing abroad from banks, etc., other than under the exchange cover scheme (uncovered borrowing in foreign currencies and sterling borrowing from external sources, mainly European institutions).

UK and overseas private investment

UK private investment overseas covers direct, portfolio and other investment. Overseas investment in UK private sector covers direct investment, portfolio investment in UK company securities, and other investment.

Direct investment comprises investment by UK companies in their overseas branches, subsidiaries and associates, and by overseas companies in their UK affiliates; the figures include the reinvestment of retained profits.

Certain transactions of a number of public corporations are included in outward investment. Government departments and oil companies are excluded.

UK portfolio investment overseas consists mainly of net purchases and sales of overseas government, municipal and company securities.

Overseas investment in UK company securities represents the changes in the holdings by overseas residents of UK company securities (excluding oil companies), including international issues.

Other (oil and miscellaneous) investment includes UK oil companies' investment abroad and overseas oil companies' investment in the United Kingdom on a basis comparable with the estimates of other direct investment except that unrelated trade credit is also included. Other overseas investment by UK residents includes investment in real estate, and by the CDFC and net borrowing by overseas companies from unrelated UK companies other than banks. Other overseas investment in the UK private sector includes net borrowing by UK companies direct from banks and unrelated commercial companies overseas and identified investment in real estate.

Overseas currency borrowing or lending (net) by UK banks
Borrowing to finance UK investment overseas

This comprises the counterpart, in deposits taken by UK banks from non-residents, of loans in overseas currencies (net of repayments) by the banks to UK residents to finance UK direct, portfolio and other investment overseas.

Other borrowing or lending (net)

This covers borrowing which is on-lent in foreign currency to UK residents or switched into sterling by the banks and on-lent to UK residents for domestic purposes; and lending to overseas residents, which represents either the counterpart to foreign currency deposits with banks by UK residents, or sterling assets which have been switched into overseas currencies.

The series excludes commercial bills lodged with UK banks for their customers which are part of trade credit and, for 1975 onwards, excludes acceptances. Also excluded are foreign currency borrowings by HM Government and by UK public bodies under the exchange cover scheme, where these are undertaken by UK banks.

Exchange reserves in sterling

This item provides a broad measure of the changes in sterling reserves of overseas countries and international organisations (other than the International Monetary Fund) as reported by UK banks, etc. Transactions in British government stocks and banking and money market liabilities, etc., are shown separately.

Other external banking and money market liabilities in sterling

This item consists of the changes in UK external banking and money market liabilities in sterling to overseas residents, other than central monetary institutions and international organisations.

Import credit

This item consists of the net change in trade credit received by UK businesses from overseas businesses other than affiliates and parent companies, less advance and progress payments from the United Kingdom.

Export credit

The entries consist of the net changes in credit extended by banks in the United Kingdom and trade credit extended by UK businesses to overseas businesses other than affiliates and parent companies, *less* changes in advance and progress payments (including advances by UK banks). There is also some credit extended by UK merchants on third-country trade.

Other short-term transactions

Consists of total UK external sterling lending (net) other than export bills; official short-term transactions (net) other than import deposits paid directly from overseas; other commercial short-term transactions (net); IMF administrative and operational expenditure and receipts in sterling, and IMF gold deposits in the United Kingdom.

Remainder of account

Capital transfers

Represents amounts paid over in implementation of the guarantee clauses of the Sterling Agreements of 1968 as renewed in 1971 and further extended until end-December 1974.

Balancing item

Represents the net total of errors and omissions in other items.

Allocation of Special Drawing Rights

The UK share of the allocation by the International Monetary Fund of the reserve asset, Special Drawing Rights. From 1 January 1970 UK holdings of Special Drawing Rights are included in the official reserves.

Official financing

IMF

UK drawings (including those under the oil facility) and repurchases, and drawings and repurchases in sterling by other countries which affect the UK's repurchase obligations to the International Monetary Fund. From July 1972 excludes transactions affecting the UK reserve posi-

tion in the Fund, which are treated as changes in the official reserves.

Other monetary authorities

Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps.

Foreign currency borrowing by HM Government

Drawings on two Euro-dollar facilities for HM Government to borrow \$2,500 million and \$1,500 million, and a \$350 million bond issue in New York. The transactions are allocated to the debtor (HM Government) rather than the transactor (the banks).

Foreign currency borrowing by public bodies under exchange cover schemes

Borrowing by UK public corporations, local authorities and other public bodies under the exchange cover scheme, first introduced in 1969. This includes foreign currency borrowed through UK banks, the issue of foreign currency securities, and other borrowings abroad from banks, etc. This borrowing is included in official financing since it is regarded as primarily motivated by considerations of reserve management, the foreign currency generated being added to the official reserves.

Drawings on/additions to official reserves

Drawings on/additions to the official reserves holdings of gold, special drawing rights, European Currency Units (from July 1979) and convertible currencies and, from July 1972, changes in the UK reserve position in the IMF. Drawings on or additions to the official reserves are valued in sterling at market related rates of exchange from 23 August 1971.

Official financing liabilities and official reserves

The figures in the table show the end of period levels of official financing liabilities and official reserves as described above, valued in sterling at the end of period rates described in the footnotes to the table. Changes in the levels reflect not only the transactions in the balance of payments, but also the effect of exchange rate changes upon the existing stock of liabilities and reserves.

XVII. HOME FINANCE

Central government funds and accounts: transactions
This table records receipts and payments on the Consolidated Fund and the National Loans Fund and changes in balances on the National Insurance Fund and certain other central government funds and accounts. The net result is the amount the government needs to borrow i.e. the central government borrowing requirement. The material is analysed according to the accounting arrangements. In addition to the normal periods of calendar and financial years and calendar quarters, figures are given for calendar months.

The basis and manner of operation of the Consolidated Fund is governed by the Exchequer and Audit Departments Act 1866 (as amended by the National Loans Act 1968) which provides that gross tax revenue (*less* repay-

ments) and all other public moneys payable to the Exchequer shall be paid into 'The Account of Her Majesty's Exchequer'. The Consolidated Fund is at any point of time the amount standing to the credit of this Exchequer Account which is held at the Bank of England.

The National Loans Act 1968 provides that all money raised by the creation of debt is payable into the National Loans Fund together with receipts representing repayments of loans made by the State from the Fund and interest on those loans. The majority of government lending is made from the National Loans Fund which is thus the channel through which pass all the government's borrowing transactions and most of its domestic lending transactions. (Loans charged on Votes continue to be met from the Consolidated Fund).

Consolidated Fund

Revenue

Inland Revenue—Receipts of Income tax, Surtax, Corporation tax, Capital gains tax, Development land tax, Estate duty, Capital transfer tax, Stamp duties and Petroleum revenue tax—details in Table 17.3.

Customs and Excise—Receipts of duties on Beer, Wine, cider, perry and spirits, Tobacco, Betting and gaming, Hydrocarbon oils, Protective Duties, Value added tax, Car tax, etc.—details in Table 17.4.

Interest and dividends—This includes receipts on loans issued from central government votes; dividends on public dividend capital of public corporations and trading funds and from holdings in British Petroleum Company Ltd; plus a miscellany of small receipts.

Other receipts—The largest item is miscellaneous revenue on supply votes. Other major sources of revenue included here are from the Independent Broadcasting Authority, the National Insurance Fund and the refund from the EEC of the cost of collecting certain taxes.

The rest of the Revenue items are self-explanatory.

Expenditure

Debt interest (under *Standing services*) is the extent to which the Consolidated Fund has had to be used in order to service the National Debt after the receipts of interest, etc., accruing to the National Loans Fund have been exhausted. Principal of and interest on government stock is a charge on the National Loans Fund, with recourse to the Consolidated Fund. The rest of the Expenditure items are self-explanatory.

Surplus or deficit of the Consolidated Fund

The Consolidated Fund is brought into balance each day by a transfer to or from the National Loans Fund and this column represents the net difference between receipts and payments over the period.

National Loans Fund

Interest receipts and profits of note issue: These receipts are mainly interest received on loans repayable to the National Loans Fund and payments representing the net profits of the Issue Department of the Bank of England.

Net lending: Is the net total of lending by, less repayment to, the National Loans Fund (see below). Details are given in Table 17.2.

National Loans Fund — net lending

The loans are shown net of repayments. Loans to nationalised industries are classified by purpose: thus Electricity covers the North of Scotland Hydro-Electric Board and the South of Scotland Electricity Board, as well as the Electricity Council; Aviation covers the British Airports Authority and British Airways Board; and Transport covers British Railways Board, British Transport Docks Board, British Waterways Board, National Freight Corporation, National Bus Company and Scottish Transport Group. Loans are also made to other public corporations including New Towns, regional water authorities and the National Enterprise Board; to trading funds; to local authorities and harbour authorities; to the private sector

covering housing associations, building societies, the Shipbuilding Industry Board and British Nuclear Fuels Ltd; and within central government e.g. advances to the Northern Ireland Government.

Other central government funds and accounts

The conventional account of the Consolidated Fund and National Loans Fund transactions is not a convenient form for the purpose of general financial analysis because transactions are categorised by type of debt rather than by source of borrowing. Moreover, many of the transactions of these funds are with other official funds and agencies which are themselves engaged in transactions with the public. For instance, national insurance payments and contributions are brought to account in the National Insurance Fund, all of whose capital is public sector debt. As the balance on this fund net of transactions in local authority debt, rises and falls, so the central government's indebtedness to the fund is increased or diminished.

In order to arrive at a figure of borrowing by the United Kingdom central government as a whole from the figures given in the account of Consolidated Fund and National Loans Fund transactions, it is necessary to exclude transactions with these various official funds and agencies known collectively as Other central government funds and accounts (which embrace Northern Ireland central government deposits). The resulting total represents the central government borrowing requirement which is the amount the government has to borrow less increase (or plus decrease) in its holdings of official reserves.

Departmental balances and miscellaneous: among the items included are:

- (i) changes in balances on the accounts kept by government departments, mainly with the Paymaster General;
- (ii) changes in the cash balance of the Director of Savings and in outstanding balances, including the interest accrued, of national savings securities and other items administered by the Department of National Savings and, up to 30 September 1979, the trustee savings banks ordinary department (as recorded in Table 3.13 of *Financial Statistics*);
- (iii) changes in valuation of assets held by Bank of England Issue Department affecting the profits of the note issue;
- (iv) profits and losses of the Exchange Equalisation Account including the profit or loss from interest payments on borrowing under the exchange cover scheme, and

Inland Revenue duties

The net receipt figures for each period represent the gross amounts of tax collected, as shown in the accounts of the department's various collecting offices, less repayments accounted for centrally in the same period. Figures are given for all the main heads of duty: the total includes small amounts of various obsolete duties. Amounts collected by the Board of Inland Revenue on behalf of other

departments, chiefly national insurance contributions, are excluded.

From January 1974 receipts of estate duty and stamp duties from Northern Ireland are included; previously these were retained by the Government of Northern Ireland. The totals for the financial years (to 31 March) include revisions which cannot be allocated to particular months.

Remittances pass to the Consolidated Fund day by day as the banks pay over the proceeds of cheques lodged with them and the differences between the net receipts and the payments into the Consolidated Fund for a particular period reflect the differences between the amounts 'in transit' at the beginning and end of the period.

Overspill relief. As a result of the introduction of the 1965 corporation tax system, certain UK companies with overseas trading income suffered a loss of tax credit relief to the extent that the foreign tax rate exceeded the corporation tax rate (the 'overspill'). As a measure of compensation for this loss of relief for foreign tax, Section 84 Finance Act 1965 provided that certain payments ('overspill relief') should be made to companies with overseas trading income. The payments were to be made in full for the first three years and thereafter be reduced by steps of 1/5th over each of the following four years before finishing at the end of 1972/73. However, in order to provide companies whose trading income is derived wholly or mainly from abroad with a further period to adjust to the introduction of the new imputation corporation tax system in 1973, Section 99 Finance Act 1972 extended overspill relief for a further four years to 1976/77 at the rate in force for 1971/72, that is 2/5ths of the full rate.

Customs and Excise duties

The figures show the aggregate amounts of duty collected and brought into the department's accounts in the period less drawbacks and other repayments. The difference between the net receipts and payments into the Consolidated Fund is due to the differences between balances. The balances consist of:

- (i) working balances held by Collectors;
- (ii) remittances in transit; and
- (iii) advances out of revenue to meet expenditure under authority of the Exchequer and Audit Department Act 1866, Section 10.

Most of the duty on beer, wine, made-wine, cider and Perry produced in the United Kingdom is collected a month in arrear.

VAT replaced purchase tax on 1 April 1973. It is generally chargeable in respect of quarterly taxable periods which are staggered so as to spread the flow of returns more evenly over the year. Thus one group (mainly retailers and partly exempt traders) has tax periods January to March, April to June, etc., a second group (mainly wholesalers) has tax periods February to April, etc., and a third group (mainly manufacturers) has tax periods March to May, etc., but special arrangements applied for the first period. However, revised arrangements apply for traders registering from 1979 onwards.

The VAT is due not later than one month after the end of the period. However, a taxable person who expects his input tax to exceed his output tax regularly may have a tax period

of one month.

Most traders registered for car tax (introduced on 1 April 1973) have tax periods March to May, June to August, etc., and the tax is due not later than one month after the end of the tax period.

Duty deferment: With effect from 1 January 1973 EEC Directive 6976 allows importers and agents a 30-day deferral of payment of certain duties. The major items involved are customs duties and for the last three months of its operation, purchase tax on imported goods. Deferment regulations have also applied from 1 April 1973 to VAT on imported goods if it fails to be paid at importation. The effect of deferments will be reflected in the table.

Bank of England

A fuller description is given in the *Explanatory handbook to Financial Statistics*.

Issue Department

Other securities include¹ in the period up to March 1976, refinance provided by the Issue Department under the arrangements for medium and long-term finance of exports and domestic shipbuilding (for details see *Bank of England Quarterly Bulletin* September 1969, June 1972 and March 1975).

Banking Department

Public deposits

All government balances held at the Bank, including the accounts of the National Loans Fund and HM Paymaster General, dividend accounts, those of the Commissioners for the Reduction of the National Debt, and those connected with tax collection and various government funds. Deposits held by local authorities and public corporations are included under *Reserves and other accounts*.

Special and supplementary deposits

The Special Deposits scheme² which was introduced on 16 September 1971 applies to all banks observing the common 12½ per cent reserve ratio and to all finance houses observing the common 10 per cent reserve ratio; exceptionally, banks in Northern Ireland have not so far been required to make deposits. Special deposits are calculated as uniform percentages of the latest available monthly figures for each institution's eligible liabilities.

The initial consultative document 'Competition and credit control' was reprinted in the June 1971 *Bank of England Quarterly Bulletin*; details of these arrangements, and subsequent developments, have been published in later issues of the Bulletin.

For information on the Supplementary Special Deposits Scheme, see 'Credit control: a supplementary scheme' in the March 1974 Bulletin. The scheme was suspended between February 1975 and November 1976, and again between August 1977 and June 1978. Details of the latest activation of the scheme were outlined in the September 1978 Bulletin and notices on the continuation of the scheme are reproduced in that and subsequent Bulletins.

With effect from August 1978, for the duration of the reactivated supplementary special deposits scheme, the liability of the London and Scottish clearing banks to pay special deposits was reduced to offset the additional resources devoted by these banks to medium- and long-

term lending, at fixed rates, for exports and domestic shipbuilding. The release of special deposits totalling £207 million in August 1978 fulfilled an undertaking given by the Chancellor of the Exchequer in 1976 when the clearing banks agreed to a progressive increase in the threshold beyond which they were entitled to government refinancing of such lending under the then existing arrangements with the Export Credits Guarantee Department/Department of Industry.

Interest is normally paid on special deposits at a rate adjusted weekly to the nearest $\frac{1}{2}$ per cent per annum for Treasury bills issued at the latest weekly tender, but interest is not paid on supplementary deposits.

Bankers' deposits

Include the balances, held at the Bank, of the London and Scottish clearing banks, the discount houses, the offices in the United Kingdom of some other UK banks and a number of overseas and other banks. Balances of overseas central banks are included in Other accounts.

Reserves and other accounts

These also include balances held at the Bank by the Crown Agents for Overseas Governments and Administrations, and the dividend accounts of stocks managed by the Bank other than the direct obligations of the British Government.

Bank clearings and currency circulation

Further details are shown in *Financial Statistics*.

Credit clearing

A credit clearing, similar to the debit clearing (see below), was instituted at the London Bankers' Clearing House in April 1960 to cover, in the first instance, payment by traders' credit (including salary and pension payments effected through the traders' credit machinery) and standing order payments. In October 1960 the scheme was extended to include credits paid in over the counter by customers for transmission to accounts at other banks. In March 1961 a further stage was introduced enabling credits to be paid in at any clearing bank by a member of the public (whether having a banking account or not) for transmission to a banking account anywhere in the United Kingdom; for certain organisations this stage was delayed until October 1961.

The figures exclude credit transfers between offices of the same bank.

Debit clearing

The clearings reported by the London Bankers' Clearing House represent the total of bankers' effects (cheques, drafts, bills, interest warrants, etc.) passed through the clearing house for collection from the banks. They exclude cheques, bills, etc. drawn on and paid into offices of the same bank.

Provincial clearings, apart from the afternoon clearing at Liverpool, were abolished as from 12 January 1968.

Currency circulation

The series showing estimated average weekly circulation of notes and coin with the public relates to the total note issues of the Bank of England, the Scottish clearing banks and Northern Ireland banks, plus the estimated total of United

Kingdom silver, cupro-nickel, bronze and nickel-brass coin in circulation, less notes and coin held by the Bank of England (Banking Department), by the Scottish clearing and Northern Ireland banks (as published in the London and Belfast Gazettes), which are largely Bank of England notes held as cover for their note issue in excess of the authorized circulation, and by the London clearing banks.

The figures for the amount of coin in circulation are provided by the Royal Mint and make allowance for coin which has been lost, destroyed or otherwise wasted.

Reserve ratios and special deposits

Further details by groups of banks are shown in *Financial Statistics* and the *Bank of England Quarterly Bulletin*.

Full definitions of reserve ratio items are contained in the article 'Reserve ratios: further definitions,' in the *Bank of England Quarterly Bulletin* December 1971.

For details of *special and supplementary deposits* see page 39.

Banks

Eligible liabilities comprises, in broad terms, sterling deposit liabilities, excluding deposits having an original maturity of over two years, plus any sterling resources obtained by switching foreign currencies into sterling. Inter-bank transactions and sterling certificates of deposit (both held and issued) are taken into the calculation of individual banks' liabilities on a net basis, irrespective of term. Adjustments are also made in respect of transit items.

Reserve assets comprises, balances with the Bank of England (other than special and supplementary deposits), money at call with the discount market and listed brokers, British government and Northern Ireland government Treasury bills, British government stocks and stocks of nationalised industries guaranteed by HM government with one year or less to final maturity, local authority bills eligible for rediscount at the Bank of England and commercial bills eligible for rediscount at the Bank of England (up to a maximum of 2 per cent of eligible liabilities).

The *reserve ratio* is the total of reserve assets as a percentage of the total of eligible liabilities. Each bank is required to maintain reserve assets amounting to at least 12½ per cent of its eligible liabilities. The equivalent figure for each finance house is 10 per cent.

Finance houses

Eligible liabilities comprises deposits with an original maturity of two years or less received from UK residents, other than banks, or from overseas. The definition of *reserve assets* and the method of calculation of the *reserve ratio* are the same as for banks.

UK banks, overseas banks and consortium banks—summary

This table covers all banks observing the common 12½ per cent reserve ratio introduced on 16 September 1971; it excludes the banking department of the Bank of England and the discount market. National Giro bank, although included within the banking sector, was excluded from the nor-

mal credit control arrangements until October 1978 and was therefore similarly excluded from this table until that date. The figures cover the business of all the banks' offices within the United Kingdom. Further details by groups of banks are shown in *Financial Statistics* and the *Bank of England Quarterly Bulletin*.

Reporting day is the third Wednesday in each month, except in December when it is the second Wednesday.

Liabilities and assets are reported at the value standing in the reporting banks' books. Liabilities and assets in currencies other than sterling are converted into sterling at the closing middle market spot rate on reporting days. The figures are therefore affected by movements in exchange rates.

In the past the residential status of an official body, body corporate or person for these statistics has been determined by reference to exchange control guidelines. With the relaxation of exchange controls on the 23rd October 1979 such reference is no longer possible, so new guidelines, varying little from those used hitherto, have been issued to reporting banks.

Under these amended guidelines, residents of the United Kingdom, which comprises Great Britain, Northern Ireland, the Channel Islands and the Isle of Man, include HM Government and other UK public authorities, UK diplomatic and military representatives overseas (and their dependants), companies, branches and agencies located and operating in the United Kingdom persons residing permanently in the United Kingdom and persons residing temporarily therein who have already stayed, or are intending to stay, for one year or more; but excluding diplomatic or military representatives of overseas governments or public authorities and representatives of official monetary institutions or international organisations—such persons are overseas residents.

Overseas residents comprise all who are not United Kingdom residents and include persons acting either as executors of deceased persons who were resident overseas at the time of death or as administrators of inter-vivos settlements where the settlor is resident overseas.

Deposit liabilities includes all credit balances on customers' accounts, including deposits by other banks (except deposits in connection with syndicated lending); overdrawn accounts with UK and overseas correspondents; and deposits by overseas offices of the reporting bank (except working capital provided by head offices overseas). It also includes certificates of deposit and all liabilities in gold bullion or gold coin, except that deposited for safe custody.

Sight deposits comprises balances as defined above, whether interest-bearing or not, which are transferable or withdrawable on demand without interest penalty (or interest indemnity). It includes money immediately at call and money placed overnight.

Time deposits comprises all other deposit liabilities as defined above (with the exception of certificates of deposit which are shown separately). Included are promissory notes issued by the reporting bank; bills drawn by the reporting bank under an acceptance credit facility provided by another bank; and such instruments as silver and other commodity deposit receipts.

Items in suspense and transmission comprises credit balances not in customers' names but relating to customers' funds rather than to banks' internal funds or to share-

holders' funds, together with standing orders and credit transfers debited to customers' accounts, and other items for which the corresponding payment has not yet been made by the reporting bank. It includes credits in course of transmission to the banks' own UK branches, the UK branches of other banks and to banks and banking offices abroad.

Capital and other funds includes shareholders' funds and working capital provided by overseas offices, together with all internal accounts (both liability and asset).

For details of *eligible liabilities, reserve assets* and *reserve ratios*, see page 40; *special and supplementary deposits* see page 39.

Market loans (other than reserve assets) includes all balances (including correspondent balances) with, and funds lent to, listed banks and to banks overseas, apart from trade or portfolio investments. For other UK institutions it includes only funds lent through brokers or in special financial markets, such as the local authority money market (in the form of loans, mortgages and other non-negotiable paper, including mortgage bonds) and the finance company deposit market, i.e. it does not include funds lent direct to the reporting banks' customers in the ordinary course of banking business.

Market loans to banks in the United Kingdom includes bills drawn by other listed banks under acceptance credit facilities and discounted by the reporting bank, promissory notes and other negotiable paper (excluding certificates of deposit) issued by listed banks. *Market loans to the discount market* comprises funds which are not both secured and immediately callable, that is, non-reserve asset money with the discount houses, the discount brokers and the money trading departments of listed banks. *Certificates of deposit* include only those issued by UK listed banks. Non-reserve asset money with listed money brokers is included under *market loans to UK private sector*.

Market loans to overseas includes bills drawn under acceptance credit facilities opened by overseas banks (including overseas offices of the reporting bank) which the reporting bank has itself discounted, and certificates of deposit, promissory notes and other negotiable paper issued by overseas banks and owned by the reporting bank.

Bills (other than reserve assets) includes bills, promissory notes and other negotiable paper (excluding certificates of deposit) owned by the reporting bank. It excludes acceptances by the reporting bank which it has also discounted, bills connected with refinancing lending under the special schemes for exports and shipbuilding, and bills which the reporting bank has disposed of by rediscounting. Bills and notes are classified according to the currency in which they are drawn.

Advances includes all balances with, and lending (whether against collateral or not) direct to, customers not included elsewhere. It includes the reporting bank's own acceptances which it has also discounted, except for those drawn by another listed bank or by banks overseas, which are entered under *market loans*. Own acceptances discounted are shown as advances to the party on whose behalf the acceptance credit has been opened. Provisions for bad and doubtful debts are not deducted. Where the reporting bank participates in (or acts as manager or co-manager of) a loan financed by more than one institution, it includes only the reporting bank's participation for its

own account, the loan being classified according to the ultimate borrower. *Advances to UK private sector* includes all medium and long-term (i.e. with an original maturity of two years and over) refinancable lending at fixed rates for domestic shipbuilding under Department of Industry guarantee, less any amounts refinanced. Non-reserve asset money with jobbers on the stock exchange is included in advances to UK residents. *Advances to overseas* includes all medium and long-term lending at fixed rates for exports under ECGD guarantee, whether refinancable or not, less any amounts refinanced, and all short-term export lending (i.e. with an original maturity of up to two years) at rates related to base rate under ECGD comprehensive bill and open-account guarantee schemes.

Investments includes all securities beneficially owned by the reporting bank or branch. It includes securities which the reporting bank has lent (or pledged) but still beneficially owns, but excludes securities which the reporting bank has borrowed and which it does not beneficially own.

British government stocks includes all stocks issued by the Government and stocks of nationalised industries guaranteed by the Government. *Other public sector investments* include listed stocks and negotiable bonds issued by local authorities except mortgage bonds, which are included in market loans or advances.

Other investments includes all investments in listed banks which are subsidiaries or associates of the reporting bank, and deposits with overseas offices which have been invested in fixed assets such as premises and equipment.

Items in suspense includes all debit balances not in customers' names but related to customers' funds rather than to the banks' own internal funds, e.g. debit balances awaiting transfer to customers' accounts. *Collections* comprises cheques, etc., drawn on and in course of collection on banks and other institutions in the United Kingdom, and debit items in transit between UK offices of the reporting bank. It includes cheques that have been credited to customers' accounts but are held overnight before being presented or paid into another bank, but excludes cheques already passed to other listed banks for collection (these are entered as balances with UK banks). It includes all collections on banks outside the United Kingdom and items in transit to overseas offices of the reporting bank, where the reporting bank is acting as principal and not as an agent for collection and where it has already given credit or value for the items.

Assets leased includes all plant and equipment beneficially owned by the reporting bank which has been leased out (except plant and equipment leased to branches, subsidiaries or associates overseas which are treated as overseas investments).

Other miscellaneous assets includes unallocated gold bullion and gold coin. It also includes other commodities (e.g. silver), land, premises, plant and equipment and other goods beneficially owned, but excluding assets leased.

Acceptances comprises all acceptances given by the reporting bank which are still outstanding, excluding any which the reporting bank has also itself discounted, but including any such discounts which have been rediscounted.

London clearing banks comprises the members of the Committee of London Clearing Bankers.

An article describing the main features of the new banking statistics for May 1975 onwards may be found in the *Bank of England Quarterly Bulletin June 1975*.

Discount market

The discount market is here defined as the eleven discount houses which belong to the London Discount Market Association, two discount brokers (Gerald Quin, Cope and Co. Ltd., and Page and Gwyther Ltd.) and the money trading departments of five banks carrying on an essentially similar type of business (Algemeene Bank Nederland NV, Banque Belge Ltd., Keyser Ullmann Ltd., Leopold Joseph and Sons Ltd., and Samuel Montagu & Co. Ltd.).

Credit control is applied to the discount market through a limit on each institution's aggregate holding of 'undefined assets' to a maximum of twenty times its capital and reserves. Undefined assets for this purpose are all assets other than those in the following list:

- (a) balances at the Bank of England;
- (b) UK and Northern Ireland Treasury bills;
- (c) government stocks with not more than five years to final maturity;
- (d) local authority stocks with not more than five years to final maturity;
- (e) local authority and other public boards' bills eligible at the Bank;
- (f) local authority negotiable bonds; and
- (g) bank bills drawn by nationalised industries under specific government guarantee.

For further details see 'Competition and credit control: modified arrangements for the discount market' in the *Bank of England Quarterly Bulletin September 1973*.

Borrowed funds are very short-term interest-bearing loans, mainly from banks in the United Kingdom.

Other sterling bills are mostly commercial bills drawn on banks and firms resident in the United Kingdom and on the London offices of overseas banks. The maximum maturity is not ordinarily longer than six months.

Local authority securities include local authority marketable bonds.

Certificates of deposit: negotiable dollar certificates of deposit were first issued in May 1966 and sterling certificates of deposits in October 1968. The discount market acts as a secondary market for both types of certificate.

Analysis of advances to UK residents by banks in the United Kingdom

The analysis is based as far as possible on the Standard Industrial Classification: there are twenty-three categories grouped under the broad headings of manufacturing, other production, financial, services and persons. Advances are classified by industry, irrespective of owner (i.e. private, local authority or government); and if an advance cannot be attributed to any particular activity, it is classed according to the main activity of the borrower - if necessary within the residual groups provided under the broad divisions. Advances to merchants, brokers, importers and exporters are included in retail distribution or other distribution, as appropriate, and advances to unincorporated businesses, etc., are allocated according to the trade or profession.

The analysis covers advances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. The dates and contributors are the same as for Table 17.8.

Figures for the Northern Ireland banks are broadly comparable with those provided by the other contributors to the table, but are in slightly less detail for certain classifications.

Fuller details by groups of banks are shown in *Financial Statistics* and the *Bank of England Quarterly Bulletin*.

It is not yet possible to provide a seasonally adjusted series of the new figures.

Money stock

There is no single, universally accepted, definition of money. Any definition must, therefore, to some extent be arbitrary, and different monetary aggregates will be useful for different purposes.

The current definitions of money stock (M_1 , sterling M_2 and M_3) are as follows:

The first definition (M_1) is a narrow one consisting of notes and coin in circulation with the public *plus* sterling sight deposits held by the private sector only. The second definition (sterling M_2) comprises notes and coin in circulation with the public together with all deposits (including certificates of deposit) denominated in sterling and held by UK residents in both the public and private sectors. The third definition (M_3) comprises sterling M_2 *plus* all deposits held by UK residents in other currencies. In all three definitions 60 per cent of the net debit value of sterling transit items is deducted, and deposits are confined to deposits with institutions included in the UK banking sector (which comprises all banks observing the common 12½ per cent reserve ratio, the Banking Department of the Bank of England and the discount market institutions).

For further details see the August 1970 and March 1972 issues of *Economic Trends* and the *Bank of England Quarterly Bulletin* September 1970, March 1972, December 1972, June 1975, March 1977 and December 1978. A fuller analysis of the figures is shown in *Financial Statistics* and the *Bank of England Quarterly Bulletin*.

Statistics including some liquid assets outside the definitions of money used here were introduced in the *Bank of England Quarterly Bulletin* September 1979 and are shown in a table in the statistical annex of subsequent issues of the Bulletin.

Seasonally adjusted estimates of quarterly changes in the money stock are derived from a process of adjustment of the whole of the financial transactions matrix and therefore take account of the additional constraints imposed by that process. In addition, adjustments have been made to allow for the effect of varying days of the week on which a quarter begins and ends. These will not usually cancel out over the year since successive years end on different days of the week. (For a further explanation see page 30 of *United Kingdom Flow of Funds Accounts: 1963-1976*, published by the Bank of England in May 1978.)

Because the monthly and quarterly series have been seasonally adjusted separately, it is not possible to draw conclusions about the underlying change in the money stock in the short period between a mid-monthly reporting date and the end of the quarter. (For further details of the method of adjustment of the monthly figures see the *Bank of England Quarterly Bulletin*, June 1978.)

Domestic credit expansion

In broad terms, the amount of domestic credit expansion

in a given period is equivalent to the increase in the domestic money stock after adjustment for any change in money balances caused directly by an external surplus or deficit. It is a measure of domestically generated credit in a form which leads, in an accounting sense, directly to monetary expansion.

DCE can be defined as:

- (i) the public sector borrowing requirement, *minus*
- (ii) purchases of public sector debt by the non-bank private sector, *plus*
- (iii) the increase in bank lending in sterling to the private sector and overseas sector.

DCE can also be seen as bank and overseas lending to the public sector *plus* bank lending in sterling to the private and overseas sectors *plus* changes in the public's holdings of notes and coin.

The relationship between the public sector borrowing requirement, domestic credit expansion and sterling M_3 was further discussed in the March 1977 *Bank of England Quarterly Bulletin*. The effects of external and foreign currency flows on the money supply were described in the December 1978 Bulletin.

Hire purchase and other credit

Coverage of the figures

The figures relate to hire purchase and other credit advanced by finance houses (including those recognised or confirmed as banks since January 1972), other specialist consumer credit grantors and selected kinds of retail business. These comprise durable goods shops (i.e. furniture shops, radio, TV and electrical goods shops and showrooms of gas and electricity boards), department stores (including co-operative society stores), other general stores and general mail-order houses.

The figures do not include the credit business of kinds of retailer not listed above.

The figures relate not only to hire purchase agreements but also to other forms of credit including sales on budget accounts, credit sale agreements and personal loans repayable by instalments. Sales on monthly account credit are excluded, as are sales on bank credit cards such as Access and Barclaycard.

Total amounts outstanding

The estimates relate to the balance of amounts remaining to be paid at the end of the period.

New credit extended

New credit extended is the total amount advanced excluding charges. The figures for finance houses and other specialist consumer credit grantors relate only to agreements entered into by them directly with the customer. The figures for retailers include agreements subsequently discounted with finance houses.

Implied increase in debt

The implied increase in debt is estimated from figures of new credit extended (including charges) and repayments.

Sources of the figures

The estimates for retailers are based on the results of the 1971 Census of Distribution, projected by means of monthly

returns from a stratified panel of retailers, in the same way as the statistics of total retail sales (see page 31). These estimates will be rebased on the results of the 1976 Retailing Inquiry early in 1980. The basic data collected are amounts outstanding and the value of credit sales; the estimates of new credit are derived by making an allowance for charges and deposits and, since the figures of sales relate to all sales on credit terms whether financed directly by the retailer or indirectly by a finance house, deducting the credit extended by finance houses for household goods to prevent duplication.

The estimates for finance houses and other specialist consumer credit grantors are based on the Inquiry to Consumer Credit Grantors for 1976, the results of which are given in *Business Monitor M13* and in an article in the 30 June 1978 issue of *Trade and Industry*. As in the case of retailers, these are projected by means of monthly returns from a panel of finance houses and other specialist consumer credit grantors comprising virtually all the largest consumer credit grantors and a sample of the smaller ones. The data collected include the actual amounts of credit extended.

The latest summary statistics (in seasonally adjusted terms) are published each month in *Trade and Industry*. Detailed statistics appear each month in the *Business Monitor* series.

National savings

The terms offered on the main forms of national savings on sale at 1973 and the dates of changes introduced since are shown below.

Tax changes from 1973 are:

1973/74	30·00 per cent
1974/75	33·00 per cent
1975/76	35·00 per cent
1976/77	35·00 per cent
1977/78	34·00 per cent
1978/79	33·00 per cent
1979/80	30·00 per cent

National savings certificates: Interest free of all income tax and capital gains tax.

Introduced

1970 5 October	Decimal issue, £1 units. Maximum holding £500, increased to £1,000, 1 April 1971 and to £1,500, 7 March 1973. £1 grows to £1·25 if held for four years; to £1·43 if held for six years and to £1·90 for ten years.
1974 17 June	14th issue, £1 units. Maximum holding £1,000, increased to £3,000, 1 July 1978. £1 grows to £1·34 if held for four years. Equivalent to a compound rate of interest of 7·59 per cent per annum. Alternatively, £1 grows to £1·55 if held for six years. Equivalent to a compound interest of 7·58 per cent per annum.
1975 2 June	Retirement issue (index-linked). Available to people of national retirement pension age in £10 units, and may be held for five years. Maximum holding £500. Repayment value related to the movement of the United Kingdom Re-

tail Prices Index between dates of purchase and repayment, except that if repaid within one year of purchase repayment at face value only. A bonus of £4 per cent of the purchase price will be added to certificates repaid on or after fifth anniversary of purchase date. At no time will repayment value be less than purchase price. Index-linked increase and bonus free of income tax and capital gains tax.

From 2 October 1978 maximum holding increased to £700. From 3 December 1979 maximum holding increased to £1,200.

1976 13 December	16th issue, £5 units. Maximum holding £1,500. £5 grows to £7 if held for four years. Equivalent to a compound rate of interest of 8·78 per cent per annum. On sale until 31 March 1977 only; sale of 14th issue suspended.
1977 1 April	14th issue re-introduced. Terms unchanged but minimum purchase raised to £5.
1979 29 January	18th issue, £10 units. Maximum holding £1,500. £10 grows to £15 if held for five years. Equivalent to a compound rate of interest of 8·45 per cent per annum; sale of 14th issue suspended.

British savings bonds: First issued 1 April 1968. Sold for £5 and multiples of £5. Interest, payable half-yearly, assessable for income tax; bonuses free of all income tax, capital gains tax and corporation tax.

Introduced

1971 3 May	2nd issue 7 per cent. Maximum holding £10,000. Bonus £3 per cent if held for five years.
1973 7 May	1st issue 8½ per cent. Maximum holding £10,000. Bonus £3 per cent if held for five years.
1974 3 June	1st issue 9½ per cent. Maximum holding £10,000. Bonus £3 per cent if held for five years.
1976 2 August	Jubilee issue 8½ per cent. Maximum holding £10,000. Bonus £4 per cent if held for five years.
1978 20 November	2nd issue 9½ per cent. Maximum holding £10,000. Bonus £4 per cent if held for five years. Equivalent to £10·52 per cent per annum net redemption yield when grossed up for income tax at 33 per cent tax, or £10·47 per cent at 30 per cent tax.

The net redemption yield is obtained by adding to the rate of interest (*less* income tax at the basic rate) the income tax-free bonuses discounted over the life of the bond.

Save As You Earn scheme: Parallel schemes operated by the Department for National Savings and the trustee

savings banks until the introduction of the index-linked issue which is administered by the Department for National Savings only. Interest, index-linked increase and bonuses are free of income tax and capital gains tax.

Introduced

- 1969 1 October First issue (Series 1). Fixed monthly payments of £1 to £10 contracted for five years. Terms as follows:
- (a) 5 year bonus equal to 12 monthly contributions at a nominal annual rate of £6·99½ per cent compounded monthly. Alternatively for savings left invested for a further 2 years;
 - (b) 7 year bonus equal to 24 monthly contributions at a nominal annual rate of £7·41 per cent compounded monthly for 5 years and annually for 2 years; then
 - (c) 8 year bonus equal to 30 monthly contributions, the rate for the eighth year being £7·14 per cent; or
 - (d) 9 year (the final) bonus equal to 37 monthly contributions, the rate for the ninth year being £7·78 per cent;
 - (e) no interest paid for savings withdrawn in first year of contract's registration;
 - (f) 2½ per cent per annum is paid on savings withdrawn after first but before end of fifth year (but see (j));
 - (g) 4½ per cent per annum is paid on savings left for remainder of full 5 years and thereafter to 7 years after payments have been discontinued and contracts lapse;
 - (h) 6 per cent per annum is paid on savings left for remainder of full 7 years and thereafter to 9 years after payments have been discontinued and contracts lapse; and
 - (i) 4½ per cent per annum is paid on sums subscribed over a complete year by a deceased contractor.
- 1971 1 September First issue (Series 2). Maximum monthly payment increased to £20. Terms as follows:
- (a) 5 year bonus equal to 12 monthly contributions at a nominal annual rate of £6·99½ per cent compounded monthly. Alternatively for savings left invested for a further 2 years;
 - (b) 7 year (the final) bonus equal to 24 monthly contributions at a nominal annual rate of £7·41 per cent compounded monthly for 5 years and annually for 2 years;
 - (c) no interest paid for savings withdrawn in first year of contract's registration;
 - (d) 2½ per cent per annum is paid on savings withdrawn after first but before end of fifth year (but see (f));
 - (e) 4½ per cent per annum is paid on savings left for remainder of full 5 years and thereafter to 7 years after payments have been discontinued and contracts lapse;
 - (f) 4½ per cent per annum is paid on sums subscribed over a complete year by a deceased contractor.
- 1974 1 July Second issue. Maximum monthly payment £20 in addition to amounts for earlier series. Terms as follows:
- (a) 5 year bonus equal to 14 monthly contributions at an effective annual rate of £8·32 per cent. Alternatively, for savings left invested a further 2 years;
 - (b) 7 year bonus equal to 28 monthly contributions at an effective annual rate of £8·63 per cent;
 - (c) no interest is paid for savings withdrawn in the first year of contract's registration;
 - (d) where contributions have stopped, 6 per cent per annum is paid on savings withdrawn up to the end of the seventh year;
 - (e) in case of death 8 per cent per annum is paid on savings withdrawn up to the end of the seventh year; and
 - (f) interest if any paid after the seventh year to be determined by the Treasury.
- 1975 1 July Third issue (index-linked). Fixed monthly payments of £4 to £20 contracted for five years, may be held in addition to amounts for earlier series. Terms as follows:
- (a) Each contribution separately revalued in line with movement of the Retail Prices Index figures applicable to the month of contribution and the fifth anniversary of the start date;
 - (b) if savings withdrawn after 60 payments the revalued contributions are added together to arrive at the total repayment value of the contract;
 - (c) if contract maintained a further two years, no further contributions paid, but each of the 60 payments index-linked in line with the RPI applicable to seventh anni-

	versary of start date. In addition a bonus equal to two monthly contributions is paid;	
(d)	where payment requested between fifth and seventh anniversaries of start date the amount due at fifth anniversary is payable;	
(e)	no interest is paid on savings withdrawn in first year, but thereafter if contributions have stopped interest is paid at the rate of 6 per cent per annum compounded monthly, on savings withdrawn up to the end of the seventh year;	
(f)	in case of death, no interest is payable if repayment is made in first year, but thereafter, where repayment made on or after first anniversary of start date, contributions are index-linked.	
	<i>Premium savings bonds:</i> First issued 1 November 1956. Prizes free of income tax and capital gains tax.	
1971 1 April	Maximum holding £2,000.	
1971 1 August	The rate of interest forming the prize fund raised to 4½ per cent per annum; monthly prize of £50,000.	
1973 1 July	The rate of interest forming the prize fund raised to 4½ per cent per annum; 25 additional weekly prizes of £1,000 each.	
1974 1 July	The rate of interest forming the prize fund raised to 5½ per cent per annum; monthly prize of £50,000 increased to £75,000, and also an additional monthly prize of £25,000; weekly prize of £25,000 increased to £50,000.	
1976 1 November	The rate of interest forming the prize fund raised to 5½ per cent per annum; monthly prize of £75,000 increased to £100,000; proportion of £50 prizes increased and £25 prizes reduced. Sold only in £5 bonds (five £1 bond units) or multiples of £5.	
1978 11 September	Maximum holding £3,000.	
1979 1 January	The rate of interest forming the prize fund raised to 5½ per cent per annum; an additional weekly prize (of £75,000) awarded and 25 £1,000 weekly prizes withdrawn.	
1979 1 September	Weekly prizes of £75,000 and £50,000 replaced by weekly prizes of £100,000, £50,000 and £25,000; monthly prizes of £100,000, £50 and £25 withdrawn, but number of prizes in the £100-£5,000 range substantially increased.	
1980 1 January	Weekly prize structure unchanged; monthly prizes of £10,000 introduced, and prizes of £500 and £50 reintroduced.	
	<i>Deposits with National Savings Bank (Ordinary Account)</i>	
1973 1 January	Maximum balance £10,000. Interest 4 per cent per annum.	
	1973 1 April	Annual interest up to £40 free of income tax for 1974/75 and subsequent years.
	1977 1 January	Interest rate raised to 5 per cent equivalent to a grossed-up yield on tax-free element of £7·58 per cent at 34 per cent tax or £7·46 per cent at 33 per cent tax or £7·14 per cent at 30 per cent tax.
	1977 29 July	Finance Act raised tax free concession on interest to £70 from 1977/78 and subsequent years of assessment.
		<i>Deposits with National Savings Bank Investment Account:</i> All interest assessable for income tax.
	1973 1 January	Maximum balance £10,000. Interest 8 per cent per annum. £50 to be kept in Ordinary account.
	1974 1 January	Interest 9 per cent per annum.
	1974 1 May	Rule for £50 in Ordinary account abolished.
	1974 6 June	£10,000 maximum balance abolished.
	1977 1 January	Interest 10 per cent per annum.
	1977 22 July	Maximum re-imposed, £50,000.
	1977 1 October	Interest 9 per cent per annum.
	1978 1 March	Interest 8½ per cent per annum.
	1978 1 October	Interest 9½ per cent per annum.
	1979 1 January	Interest 12 per cent per annum.
	1979 1 September	Interest 12½ per cent per annum.
	1980 1 January	Interest 15 per cent per annum.
		The series includes issues of national savings stamps and gift tokens. For further details concerning national savings see <i>Financial Statistics Explanatory handbook</i> (HMSO 1979).
		Security prices and yields
		British government securities
		The gross flat yield on a security is the annual amount receivable in interest expressed as a percentage of the purchase price.
		The gross redemption yield comprises the gross flat yield together with an apportionment of the capital gain or loss on dated securities held to redemption; more precisely, it is the rate of interest which, if used to discount future dividends and the sum due at redemption, will make their present value equal to the present price of the stock. It is an appropriate measure of the gross annual return on these securities, if held to maturity, for investors who either pay no tax (for example pension funds) or pay tax on income and capital profits at the same rate (for example security dealers).
		In calculating yields on stocks with alternative redemption dates, redemption is assumed at the later date when the price, net of accrued interest, is below par (that is when the flat yield is above the nominal rate) and at the earlier date when the price is above par.
		The table shows gross redemption yields for 5, 10 and 20-year maturities derived from yield-maturity curves fitted mathematically (and also the net price and gross flat yield for 2½ per cent Consols).
		<i>Method of calculation (gross redemption yields)</i>
		The method was described in an article in the <i>Bank of</i>

England Quarterly Bulletin, December 1972 (page 467). From January 1973 the method was modified as explained in an article in the September 1973 *Bulletin* (page 315). A further modification described in the article which appeared in the June 1976 *Bulletin* (page 212) has been used for yields published since September 1976. All fixed interest dated stocks are used in the calculation, except those where:

- (a) the total market issue is less than £150 million;
- (b) there is provision for a sinking fund, redemption by drawings or an option for the holder to convert into another stock; or
- (c) the stock matures in less than one year.

3½ per cent War Loan was included in the calculation of the curve as the representative undated stock up until the end of 1976. Its exclusion has a negligible effect on the curve.

Company securities

FT-Actuaries share indices: This series has been published from 26 November 1962. The figures are taken from the FT-Actuaries share indices which are published daily in the *Financial Times*. Details of the constituents and computation of the indices are given in the booklet *Guide to the FT-Actuaries Share Indices* (The Financial Times Limited). The prices taken are middle market prices at close of business. The base date is 10 April 1962 (the starting date of the short-term capital gains tax). Monthly and annual figures are arithmetic averages of those for working days.

Debenture and loan stocks: The index and yield for debenture and loan stocks are calculated from the price changes of fifteen stocks with an average term to maturity of about twenty years. The stocks are divided into three groups according to redemption date and the price factors and yields for the three groups are combined in a weighted average to provide a price index and gross redemption yield appropriate to a stock of exactly twenty years' duration. The weights for the various groups change daily.

Preference stocks: The prices used are middle market prices at close of business adjusted for accrued interest *less* income tax at the standard rate. There are 20 component stocks and the price index is 1/20th of the sum of the percentage changes in prices of these stocks. Yields are the arithmetic averages of those calculated on each stock.

Ordinary shares: The index is a weighted arithmetic average of the percentage price changes of 500 industrial ordinary shares; weights for each constituent are the total market value of the shares issued at the base date but are modified to maintain continuity when capital changes occur, e.g. rights issues, or when constituents change, as when companies disappear owing to takeovers or new companies become large enough to qualify for the indices.

The dividend yield is the total of the last years dividends up to the most recently declared, payable on the capital of constituents expressed as a percentage of total market valuation.

Minimum lending rate

The Bank of England's minimum lending rate to the market (formerly called Bank Rate) is the rate at which the Bank, acting as lenders of last resort, normally lend to members of the discount market against security of Treasury bills, other approved bills, or government stocks with five years or less to maturity. From 13 October 1972 to

24 May 1978, the rate was normally set ½ per cent higher than the average rate of discount for Treasury bills established at the weekly tender, rounded to the nearest ¼ per cent above and effective, for lending by the Bank, from the following working day. However, special changes in the rate were not precluded under this system, in which event the announcement was normally made at midday on Thursdays: a new rate determined in this way was effective immediately and the operation of the normal formula suspended until market rates had moved into line. On 11 March 1977, these arrangements were modified in one respect: in cases where the operation of the formula would have brought about a reduction in the rate, the Bank reserved the right, exceptionally, either to leave the rate unchanged, or to change it by less than would have resulted from the operation of the formula.

On 25 May 1978 it was announced that the rate would in future be determined by administrative decision and any change would normally be announced at 12.30 p.m. on a Thursday; the new rate would become effective, for lending by the Bank, immediately.

Capital issues and redemptions in the United Kingdom
The estimates relate to new money raised by issues of ordinary, preference and loan capital (public issues, offers for sale, issues by tender, placings, and issues to shareholders and employees) by listed public companies and local authorities in the United Kingdom and by overseas public companies and public authorities (including local authorities and international organisations). Issues by UK public authorities are included, except domestic issues guaranteed by the Government. The estimates include UK local authority negotiable bonds (of not less than one year) issued to, or through the agency of banks, discount houses, issuing houses or brokers. Mortgages, bank advances and any other loans redeemable in less than twelve months are excluded, as also are loans from UK government funds – but not government subscriptions to company issues made *pari passu* with the market. Issues to shareholders are included only if the sole or principal share register is maintained in the United Kingdom.

As the series relates only to new money raised, they exclude issues in which the cash raised accrues not to the borrowing company but to its existing shareholders (i.e. they exclude the value of existing securities which have been marketed through the new issue machinery but add nothing to the resources of the companies involved). They also exclude bonus issues, share exchanges and issues for other forms of consideration.

Estimates of the amounts raised are based on the prices at which securities are offered to the market. Subscriptions are recorded under the periods in which they are due to be paid. Redemptions relate to fixed-interest securities of the kinds included as issues; conversion issues in lieu of cash repayment are included in the gross figures of both issues and redemptions. No allowance is made for company liquidations or other repayments of share capital.

The division between UK and overseas company borrowers is determined by the location of the registered office. On 1 April 1974 water, dock and harbour boards were reclassified as public corporations rather than local authorities. 'Special finance agencies' are listed public companies engaged in the provision of medium and long-term finance to industry (for example Finance for Industry Limited).

XVIII. WAGES AND PRICES

Average weekly earnings and hours worked in manufacturing and certain other industries

The industries covered are those for which separate figures are given, together with mining and quarrying (except coal mining), leather, leather goods and fur, certain miscellaneous services and public administration. The figures are based on returns from employers showing, for a particular week in October, the number of manual workers actually at work, for at least part of the reference week, their aggregate earnings and the total number of man-hours worked. The returns received cover over five million workers, but in calculating the general averages and those for each of the groups of industries shown separately the averages for the individual industries have been 'weighted' on the basis of the estimated total number of manual workers employed in each industry.

Percentage changes in average earnings represent the combined effect of a number of factors, including (a) increases in rates of wages; (b) changes in the number of hours actually worked and in the proportion of hours paid for at overtime, week-end and night-shift, etc., rates; (c) extensions of systems of payment by results in some industries, and increased output by the workers affected and (d) changes in the relative numbers of workers employed in different industries.

Details of average weekly earnings of men and women by standard regions, are given normally in the February issues of the *Department of Employment Gazette*. Information on earnings in certain industries not covered by these surveys, e.g. coal mining, hospital employees in the national health services, and agricultural workers, is given from time to time in the *Department of Employment Gazette*, previously *The Employment and Productivity Gazette* and the *Ministry of Labour Gazette*.

Index of average earnings of all employees (monthly enquiry)

Older series

The index of average earnings (older series) is compiled from information supplied by employers about their wages and salaries bills. The index measures the change from month to month in the average earnings in industry groups, in manufacturing as a whole and in all industries and services covered by the index. The last two indices are given both before and after seasonal adjustment.

The index was introduced in January 1963 but was revised in January 1967. A further revision was effected in January 1970 to conform with the Standard Industrial Classification (Revised 1968). This series is explained in articles in the March 1967, July 1971, May 1975, April 1976 and February 1977 issues of the *Department of Employment Gazette*. The industries covered are shown in the published table, the footnotes to which also amplify these notes.

New series

A new series of indices covering the whole economy was introduced in January 1976. Indices are given for each industry group (Orders of the Standard Industrial Classification), all manufacturing industries and the whole

economy. The latter two indices will be adjusted for normal seasonal variations as soon as this is possible.

An explanatory article was published in the April 1976 issue of the *Department of Employment Gazette*.

Basic rates of wages and normal hours of work

Index of basic weekly rates of wages

The index of *weekly rates of wages* measures the average movement from month to month in the level of full-time basic weekly rates of wages of manual workers (including shop assistants but excluding clerical, technical and administrative workers) in the principal industries and services in the United Kingdom compared with the level at 31 July 1972 taken as 100. The index is based on a selection of the recognised minimum rates of wages or minimum entitlements which are the outcome of centrally determined arrangements, usually voluntary collective agreements between organisations of employers and work-people, or wages orders, in some 80 industries and services. General supplements to basic rates are included in minimum entitlements. Where there is an appreciable amount of piecework, the movements in piece rates of wages are taken into account as well as movements in time rates. From this material estimates are made of the percentage movement in the wage rates in each industry. The percentage increases in the various industries are then combined in accordance with the relative importance of the industries, as measured by their total wages bills in 1970.

Indices are computed for all industries and services taken together and for a sub-group comprising manufacturing industries only and for 17 industry groups. If comparisons are made between one group and another it should be remembered that the indices for a particular group may have been affected by the incidence of changes in rates of wages in the months immediately prior to the base date (31 July 1972) and that having regard to the considerable variation in the provisions of collective agreements and statutory wages orders there is no common pattern for the calculations of the indices for individual industries.

The index does not reflect changes in earnings due to changes in such factors as the numbers of workpeople employed in different industries, in the relative proportions of workers in different age groups, or engaged in different occupations and wage grades, or paid at time or piece rates. Neither does it reflect changes in the amount of overtime, short-time or absenteeism or changes in the earnings of piece-workers and other payment-by-results workers due to variations in output or the introduction of new machinery, etc.

The representative industries and services for which changes in rates of wages are taken into account in the index and fuller details of the method of calculation were described on pages 50 and 51 of the issue of the *Ministry of Labour Gazette* for February 1957, pages 796 and 797 of the *Department of Employment Gazette* for September 1972, page 40 of the *Department of Employment Gazette* for January 1977, and page 584 of the *Department of Employment Gazette* for May 1978.

Index of basic normal weekly hours

The index of *normal weekly hours* measures, for the same representative industries and services, the average move-

ment from month to month in the level of normal weekly hours of work compared with the level at 31 July 1972 taken as 100. The normal weekly hours used in the calculation of the index are those in respect of which all rates used in the calculation of the index of weekly rates of wages are payable and hours for the separate industries are then combined in accordance with their relative importance, as measured by the numbers employed at the base date.

The index does not reflect changes in *actual* hours worked, which are affected by changes in the amount of overtime, short-time and absences for other reasons.

The method of calculation was described in more detail on pages 330 and 331 of the issue of the *Ministry of Labour Gazette* for September 1957 and pages 796 and 797 of the *Department of Employment Gazette* for September 1972.

Index of basic hourly rates of wages

The index of basic *weekly* rates of wages does not show any movement when normal weekly hours of work are altered without any corresponding change in *weekly* rates of wages. The series for basic hourly rates of wages is obtained by dividing the monthly figures for the index of basic *weekly* rates of wages by the corresponding figures for the index of normal weekly hours.

Weighting structures

The following table gives details of the weights allocated to the various industry groups for the index of basic *weekly* rates of wages and the index of normal weekly hours.

Order	Standard Industrial Classification (1968) Industry group	Weights*	
		Index of weekly wage rates	Index of normal weekly hours
I	Agriculture, forestry, fishing	210	247
II	Mining and quarrying	305	298
III	Food, drink and tobacco	436	445
		(454)	(463)
IV	Coal and petroleum products and V and Chemicals and allied industries	283	244
		(294)	(254)
VI	Metal manufacture; Mechanical, instrument and electrical engineering; Shipbuilding and Marine engineering; Vehicles; Metal goods not elsewhere specified	2,840 (2,953)	2,471 (2,571)
XII	XIII Textiles	352 (366)	441 (459)
XIV	Leather, leather goods and fur	28 (29)	33 (34)
XV	Clothing and footwear	209 (217)	352 (366)
XVI	Bricks, pottery, glass, cement, etc.	227 (236)	204 (212)
XVII	Timber, furniture, etc.	179 (186)	186 (193)
XVIII	Paper, printing and publishing	387 (403)	340 (354)

XIX Other manufacturing industries	197*	190*
XX Construction	970	970
XXI Gas, electricity and water	209	191
XXII Transport and communication	1,034	869
XXIII Distributive trades	802	1,023
XXV Professional and scientific services and Public administration	756	783
XXVII and defence		
XXVI Miscellaneous services	576	713
Total All industries and services	10,000	10,000
III to Manufacturing industries only	5,138	4,906
XIX		

*The index series for the 'Other manufacturing industries' group had to be discontinued from July 1978. In consequence the weights within the rest of the manufacturing sector were changed to those shown in brackets when compiling the indices for all manufacturing industries and all industries and services from July 1978 onwards.

General index of retail prices

The General index of retail prices measures the percentage changes month by month in the average level of prices of the commodities and services purchased by the great majority of households in the United Kingdom, including practically all wage earners and most small and medium salary earners. The weights used from February 1956 to January 1962 for combining the indices for the various groups of items were based on information provided by a large-scale Household Expenditure Enquiry made in 1953-54 adjusted to correspond with the levels of prices ruling in January 1956. From February 1962 to January 1963 the weights used were derived from the continuing Family Expenditure Surveys for the three years July 1958 to June 1961, adjusted to correspond with the levels of prices ruling in January 1962. From 1963 to 1974 weights were revised in February each year on the basis of information derived from the Family Expenditure Surveys for the three years ended in the previous June, adjusted to correspond with the levels of prices ruling in January of the current year. From February 1975 onwards, the weights have been based on information from the Family Expenditure Survey for one year only (Cmnd. 5905), that is the year ended in the previous June.

From 1968 onwards the index has been divided into eleven main groups for which the weights for recent years are shown in the table in the *Digest*. Prior to 1968 there were 10 main groups for which the weights for 1962 and those which would have been used in 1968 if the eleventh group had not been introduced are given below, together with the weights which were actually used in 1968.

The index is calculated monthly in respect of a Tuesday near the middle of each month.

Expenditure covered by the index does not include income tax payments, national insurance contributions, life insurance premiums and payments to pension funds, premiums for household insurance (other than insurance of the building), subscriptions to trade unions, friendly societies, hospital funds, church collections, etc., cash gifts, pools and other betting payments, doctors', dentists', etc., fees, and capital sums or mortgage payments for house purchase or major structural alterations.

For expenditure coming within the scope of the index, a representative list of items was selected and the prices of these items are collected at regular intervals. Quotations are obtained from retail shops typical of those from which the majority of households commonly make their purchases in a large number of urban and rural centres throughout the United Kingdom. The prices used are the prices actually charged. So far as possible they relate to goods of unchanged quality at successive dates; when the quality changes, an appropriate adjustment is made to the price index.

An account of the method used for computing the index was given in *Method of Construction and Calculation of the Index of Retail Prices* (No. 6 in the series *Studies in Official Statistics*) published for the Department of Employment by Her Majesty's Stationery Office. An article in the October 1975 issue of *Employment Gazette* gave an explanation of the composition and structure of the index intended for users who are not specialists in statistics. A few changes are made from time to time in the list of items priced and details of such changes made between the date of publication of the booklet and July 1972 were given in *Hansard*, 12 July 1972, written answers, columns 371-2. Reference may also be made to reports of the Cost of Living Advisory Committee (Cmd.9710, Cmnd.1657, Cmnd.3677 and Cmnd.5905), to *Report of an Enquiry into Household Expenditure in 1953-54* and *Reports on the Family Expenditure Surveys for 1957-59, 1960 and 1961*, and annually from 1962 to 1976, published by Her Majesty's Stationery Office.

Family Expenditure Survey

The notes below relate to the tables in the *Annual Abstract of Statistics* and *Regional Statistics*. The survey covers all types of private households in the United Kingdom. It is a continuing enquiry in which a sample of nearly 11,000 addresses is selected annually. An effective sample of some 10,400 households is obtained, of which about 70 per cent co-operate. Results of the survey will be found in annual *Family Expenditure Survey Reports* (HMSO), together with a full list of definitions and items on which information is collected.

The annual report includes a brief account of the sampling and field work procedure and a full description is provided by the technical handbook, *Family Expenditure Survey: Handbook on the Sample, Fieldwork and Coding Procedures* (HMSO), which is currently being revised.

Changes made in definitions from year to year may affect annual comparisons. The most recent substantial variations, in the 1973 and 1976 surveys, were described in the reports for those years. A summary of the main definitions in current use is given in the following paragraphs.

Household

The FES is strictly a household enquiry. The household is defined as including all those who live at the same address and who are catered for by the same person. The members of a household thus defined are not necessarily related by blood or marriage. Resident domestic servants are included. As the survey covers only private households, people living in hostels, hotels, boarding houses or institutions are excluded.

Household income

Household income is the aggregate of the gross incomes of the individual members of the household before deduction of income tax, national insurance contributions and any other deductions at source. Income as thus defined excludes money received by one member from another member of the household, proceeds from the sale of cars, furniture or other capital assets, and receipts from legacies, maturing insurance policies and windfalls. With the exceptions of luncheon vouchers and an imputed amount for rent-free accommodation, income in kind is also excluded.

Expenditure

Expenditure is taken as representing current expenditure on goods and services. It excludes savings or investments (e.g. purchase of national savings certificates or shares; life assurance premiums; contributions to pension funds). Income tax payments and national insurance contributions, and mortgage and other payments for purchase of or major additions to dwellings are also excluded. Special procedures are applied to purchases under hire purchase and other credit arrangements.

	<i>February 1962</i>	<i>February 1968</i>	<i>February 1968</i>
	<i>to January 1963</i>	<i>to January 1969</i>	<i>to January 1969</i>
I Food	319	289	263
II Alcoholic drink	64	65	63
III Tobacco	79	68	66
IV Housing	102	123	121
V Fuel and light	62	64	62
VI Durable household goods	64	60	59
VII Clothing and footwear	98	91	89
VIII Transport and vehicles	92	122	120
IX Miscellaneous goods	64	61	60
X Services	56	57	56
XI Meals bought and consumed outside the home	-	-	41
	<hr/>	<hr/>	<hr/>
	1,000	1,000	1,000

Housing expenditure

Housing expenditure of households living in unfurnished or furnished rented dwellings consists of the payments by such households for rent, rates, water and any insurance of the structure, *less* receipts (if any) from sub-letting. For households living in rent-free accommodation housing expenditure is estimated in the same way as for rented dwellings except that a notional amount of rent based on the rateable value of the accommodation is included. Expenditure of households living in their own dwellings consists of the payments by these households for rates, water, ground rent and insurance of the structure together with the weekly equivalent of the rateable value of the dwelling *less* receipts (if any) from letting.

Persons working

These are persons aged 16 or more in the following categories:

Employees at work - those gainfully employed or absent on holiday only.

Employees temporarily away from work - those with a job to go to but absent from it for a reason other than holiday.

Employees out of a job - those with no job for up to five years through sickness or other reason, but who indicate that they intend to seek work.

Self employed.

Index numbers of wholesale prices

The index numbers are calculated from the price movements of about 11,000 closely defined materials and products representative of goods purchased and manufactured by UK industry. The index for an individual commodity expresses the current price as a percentage of its annual average price in 1975, the reference year of the series.

Commodity price index numbers are combined into index numbers for groups of commodities and for materials purchased by and output of broad sectors of industry; industries are defined according to the 1968 Standard Industrial Classification. In building up the index numbers the weighting patterns used for both purchases and sales are those of 1974. Thus the index numbers express the cost of a 1974 basket of goods as a percentage of what the same basket cost in 1975. The 1974 weighting patterns have been adopted because the latest source of detailed information on purchases is the 1974 purchases inquiry; the selection of 1975 rather than 1974 as the reference year is in accordance with national accounts practice and international recommendations.

The weights used have been derived from the quarterly sales inquiries and the 1974 purchases inquiry, and supplemented by the trade accounts, information supplied by trade associations and various other sources. The value of goods for which no price series are available is imputed to price series which may be expected to move similarly.

The value of sales or purchases used for weighting are net, i.e. transactions between undertakings within the same sector are excluded. For example steel is included in the index for all manufactured products only to the extent that it is sold outside manufacturing such as to the construction industries; steel sold within the manufacturing sector is excluded. However, sales of capital goods are all

treated as sales outside manufacturing industry, in accordance with national income accounting practice, which treats capital formation as a separate sector.

Prices obtained for goods produced in the United Kingdom may be on an ex-works or delivered basis, according to the practice in the trade concerned. Where a producer supplies ex-works and also delivers, generally only the more important basis is reported on. Prices of imported goods are measured as closely as practical to a delivered basis. The prices collected are those that are quoted for current orders placed, which are not necessarily the same as those at which current deliveries are being received. This means, for example, that price changes in imported materials are generally reflected in the index numbers of materials purchased in advance of the corresponding changes in the unit values of imports entering the country.

The series of wholesale price index numbers with 1975 as 100 was introduced in *Trade and Industry* of 22 September 1978.

Construction output index

The index relates to quarterly changes in the price of new building and civil engineering work done in Great Britain, excluding repairs and maintenance. It is a base weighted combination of the separate price indices for contractor's output in the five new work sectors. A description of the methodology of the indices was given in *Economic Trends* No. 297, July 1978.

Index numbers of the average price of new dwellings for private owners

From 1975, the index has been compiled from information provided by a panel of building societies, including most of the larger societies, covering about 90 per cent of the total assets of the movement in the United Kingdom. Each society completes a return, every month, showing the number and total purchase price of dwellings mortgaged. Separate figures are provided for new and other dwellings; and for mortgages at approval and completion stages. The approval stage figures provide the more up-to-date indicator of price trends whereas the series based on completions gives more accurate figures for dwellings actually purchased because a small, but significant number of mortgages approved do not result in completed transactions. The types, sizes, location and nature of the title of dwellings may vary from quarter to quarter. The index gives an indication of the changes in the price of new dwellings but not changes in the cost of building.

Figures for periods before 1975 are based on earlier returns and have been adjusted to make them comparable with the new return.

Index of purchase prices of the means of agricultural production

Index of producer prices of agricultural products

The monthly and annual index numbers of agricultural prices in the United Kingdom cover all the main agricultural products and also the main groups of materials currently consumed by agriculture. The new indices, based on the calendar year 1975, are designed to provide short-term and medium-term indications of movement in these prices. Details of the methodology giving particulars of

weights and of items included, appeared in *Economic Trends* No 312, October 1979. All series are base weighted Laspeyres type, using value weights derived from the Economic Accounts for Agriculture 1975 prepared for the Statistical Office of the European Community. Base prices are weighted averages of monthly prices for the calendar year 1975. Prices are measured exclusive of VAT. For practical reasons, it has generally been necessary to measure the prices received by producers (outputs) at the first marketing stage and prices of materials (inputs) ex-supplier.

These indices replace earlier series (now discontinued) based on 1968/69-1971/72 and the interim series based on 1970 which appeared in the *Monthly Digest of Statistics* during 1979.

The construction of the indices enables them to be combined with similar indices for other member countries of the European Economic Community to provide an overall indication of price trends within the Nine, which appears in the Community's Eurostat series of publications.

XIX. ENTERTAINMENT

Broadcast receiving licences current

These figures are compiled by the Post Office and represent the total number of annual licences in force at the end of the period. They include about 43,000 licences issued at a reduced fee to the blind.

Cinema statistics

The figures are based on four-weekly returns submitted by cinemas to HM Customs and Excise for British Film Fund Levy purposes. These cinemas account for about 80-90 per cent of total box office takings and an estimate for the remainder is based on the results of the annual exhibitors' inquiry conducted by the Department of Trade.

XX. WEATHER

Air temperature

Between January 1963 and December 1973, averages of air temperature for 1931-60 were used as standards for comparison. These were replaced in January 1974 by the averages for 1941-70, the average at each station having first been reduced to sea level by adding 0.6° Centigrade for 100 m above sea level.

The monthly and annual values of mean daily air temperature at sea level for individual years are estimates obtained by calculating the means of the differences from the long-period averages at 46 stations in England and Wales, 21 in Scotland and 5 in Northern Ireland and adding these mean differences algebraically to the long-period averages for the territories concerned.

Rainfall

Up to December 1977, averages of areal rainfall for 1916-50 were used. These were replaced in January 1978 by the averages for 1941-70.

The values for individual years are estimates obtained by calculating the means of the percentages of the averages for some 208 well distributed stations in England, Wales, Scotland and Northern Ireland, and applying these mean percentage values to the averages in millimetres for the respective territories. The procedure is carried out each month, and the monthly totals summed to give values for the year.

Sunshine

Between January 1963 and December 1973, averages of bright sunshine for 1931-60 were used as standards for comparison. These were replaced in January 1974 by the averages for 1941-70.

The mean daily amounts of sunshine for individual years are estimates obtained by calculating the means of the percentages of the average for 43 stations in England and Wales, 19 in Scotland and 5 in Northern Ireland, and applying these mean percentage values to the long-period averages for the respective territories.

Further details on weather statistics and particulars of longer series of values may be obtained from the Director-General, Meteorological Office, Met.O.3, London Road, Bracknell, Berkshire RG12 2SZ.

Conversion factors

Temperature

To convert degrees centigrade into degrees fahrenheit:
multiply by 9, divide by 5, and add 32.

Rainfall

1 millimetre = 0.0394 inch.

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APPENDIX

STANDARD REGIONS FOR STATISTICAL PURPOSES

The boundaries of the Economic Planning Regions in England were adjusted on 1 April 1974 to take account of local government reorganisation under the Local Government Act, 1972. It has been decided that the standard regions for statistical purposes will coincide with the revised Economic Planning Regions.

Standard regions at 31 March 1974.⁽¹⁾

North

Cumberland, Durham, Northumberland, Westmorland, and the North Riding of Yorkshire.

Yorkshire and Humberside

The East and West Ridings of Yorkshire (including City of York) and Lincolnshire (Parts of Lindsey excluding Lincoln C.B.).

East Midlands

Derbyshire (except the High Peak District, which is included in the North West Region), Leicestershire, Lincolnshire (Part of Holland, Parts of Kesteven and Lincoln C.B.), Northamptonshire, Nottinghamshire and Rutland.

East Anglia

Cambridgeshire and Isle of Ely, Huntingdon and Peterborough, Norfolk and Suffolk.

South East

Bedfordshire, Hertfordshire, Essex, Berkshire, Buckinghamshire, Oxfordshire, London (Greater London Council area), Kent, Surrey, Sussex, Hampshire, Isle of Wight and the Borough of Poole. ^(*)

South West

Cornwall (including the Isles of Scilly), Devon, Dorset (excluding the Borough of Poole)^(*), Gloucestershire, Somerset and Wiltshire.

West Midlands

Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

North West

Cheshire, Lancashire and the High Peak District of Derbyshire (the Boroughs of Buxton and Glossop, the urban districts of New Mills and Whaley Bridge and the rural district of Chapel en le Frith).

Wales

The whole of Wales.

Scotland

The whole of Scotland.

Northern Ireland

Antrim, Down, Armagh, Fermanagh, Tyrone, Londonderry, Belfast C.B., Londonderry C.B.

⁽¹⁾ The lists are classified according to local authority areas in existence at the stated time.

^(*) Poole was in the South West Economic Planning Region but had been included in the South East statistical region pending the report of the Local Government Commission on this area.

^(*) Metropolitan counties are marked by *. Greater London is not a metropolitan county but it is shown as if it were in those tables where metropolitan county data is included.

The lists below give definitions of the standard regions for statistical purposes on both the boundaries of 31 March and 1 April 1974. *Statistical News No. 27, November 1974* (HMSO) (40p net) contains an article and a map relating to these boundary changes.

Standard regions at 1 April 1974.^{(1)(*)}

North

Tyne and Wear*, Cleveland, Cumbria, Durham, Northumberland.

Yorkshire and Humberside

South Yorkshire*, West Yorkshire*, Humberside, North Yorkshire.

East Midlands

Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire.

East Anglia

Cambridgeshire, Norfolk, Suffolk.

South East

Greater London*, Bedfordshire, Berkshire, Buckinghamshire, East Sussex, Essex, Hampshire, Hertfordshire, Isle of Wight, Kent, Oxfordshire, Surrey, West Sussex.

South West

Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire.

West Midlands

West Midlands*, Hereford and Worcester, Salop, Staffordshire, Warwickshire.

North West

Greater Manchester*, Merseyside*, Cheshire, Lancashire.

Wales

The whole of Wales.

Scotland

The whole of Scotland.

Northern Ireland

Antrim, Down, Armagh, Fermanagh, Tyrone, Londonderry, Belfast C.B., Londonderry C.B.

Regional figures provided by the Department of Employment are built up by aggregating the appropriate local employment exchange areas. The boundaries of such areas, however, do not in all cases agree precisely with county or regional boundaries.

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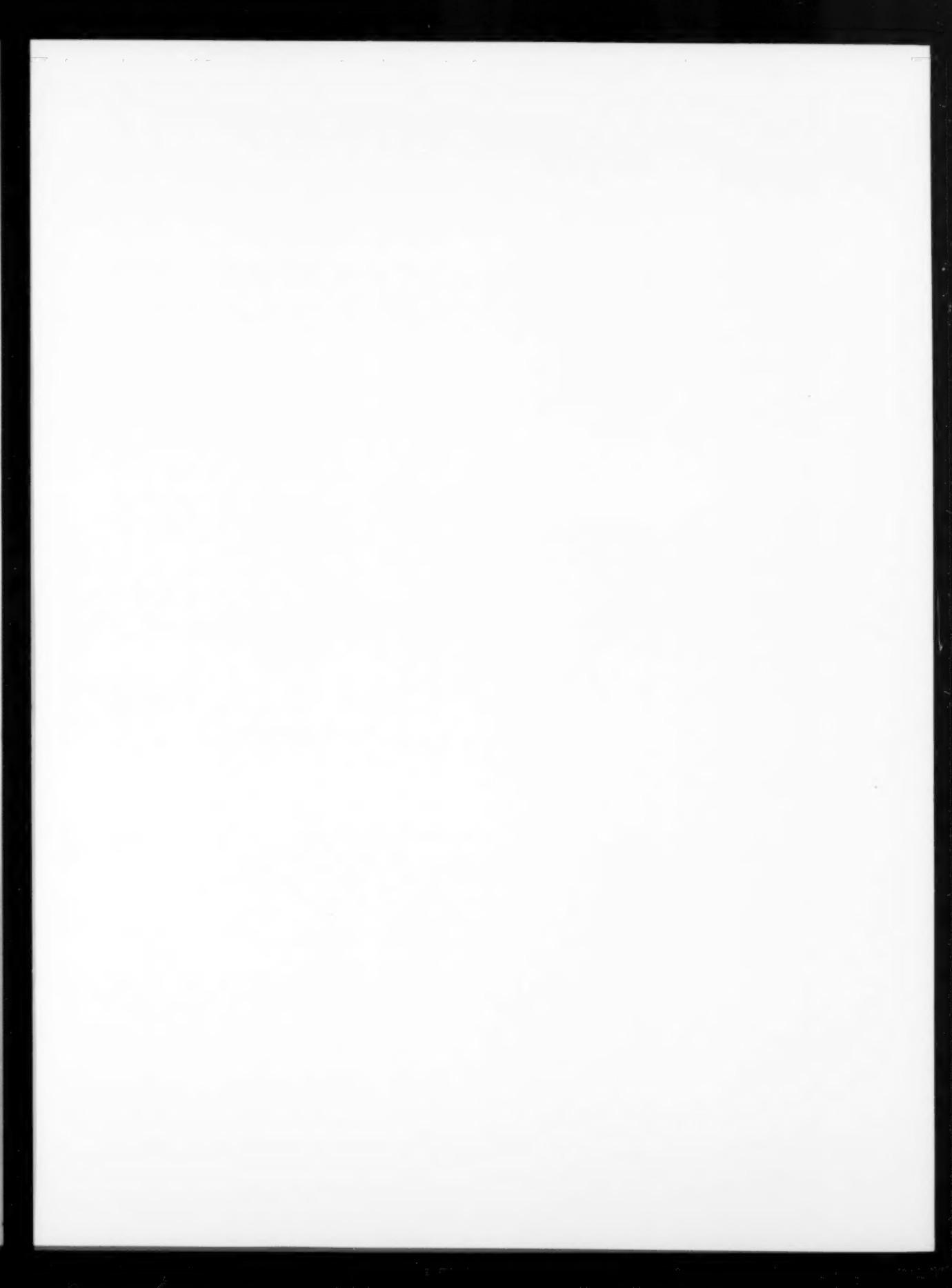
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